

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
BOONESBORO WATER ASSOCIATION,)	CASE NO. 95-519
INC.)	

O R D E R

On November 16, 1995, Boonesboro Water Association, Inc. ("Boonesboro") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Boonesboro purchases its water from Winchester Municipal Utilities ("Winchester").

2. Winchester notified the Commission and Boonesboro that effective with its January 1996 billing, Winchester will increase its wholesale rate from \$1.327 per 1,000 gallons to \$1.347 per 1,000 gallons.

3. During the 12 months ending October 31, 1995, Boonesboro purchased 148,712,250 gallons of water and sold 122,953,100 gallons.

4. Boonesboro's calculations are incorrect in that it incorrectly added the purchased water adjustment to the minimum amount for each meter size and it made an adjustment for line loss which is not required by the formula set out in 807 KAR 5:068, Purchased Water Adjustment for Water Districts and Associations. The correct calculations are set out in Appendix B to this Order.

5. Based on Winchester's current charges for purchased water, Boonesboro's purchased water costs will increase by \$2,974, resulting in a purchased water adjustment of \$0.02 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Boonesboro's customers will increase \$0.10 from \$19.92 to \$20.02, or 0.5 percent.

6. Boonesboro's proposed tariff is incorrect.

7. The purchased water adjustment of \$0.02 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Boonesboro's proposed tariff is denied.

2. The purchased water adjustment of \$0.02 per 1,000 gallons and the rates in Appendix A are approved for Boonesboro's January billing.

3. Within 30 days of the date of this Order, Boonesboro shall file revised tariffs setting out the rates approved herein.

4. Within 30 days of the date of this Order, Boonesboro shall file verification that customer notice has been given.

Done at Frankfort, Kentucky, this 14th day of December, 1995.

PUBLIC SERVICE COMMISSION

Linda K. Breckhoff
Chairman

Vice Chairman

Robert M. Davis
Commissioner

ATTEST:

Don Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-519 DATED DECEMBER 14, 1995

The following rates and charges are prescribed for the customers in the area served by Boonesboro Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES: Monthly

5/8 x 3/4 Inch Connection

First 1,000 gallons	\$11.18	Minimum Bill
Over 1,000 gallons	2.21	per 1,000 gallons

1 Inch Connection

First 10,000 gallons	\$31.07	Minimum Bill
Over 10,000 gallons	2.21	per 1,000 gallons

1 1/2 Inch Connection

First 30,000 gallons	\$75.29	Minimum Bill
Over 30,000 gallons	2.21	per 1,000 gallons

2 Inch Connection

First 50,000 gallons	\$119.51	Minimum Bill
Over 50,000 gallons	2.21	per 1,000 gallons

3 Inch Connection

First 75,000 gallons	\$174.72	Minimum Bill
Over 75,000 gallons	2.21	per 1,000 gallons

Multiple Residence: In cases of two residences on one meter the minimum bill would be \$22.36 for the first 2,000 gallons, then \$2.21 for each additional 1,000 gallons. This rate also applies to trailer parks.

APPENDIX B

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 95-519 DATED DECEMBER 14, 1995

Calculation of Purchased Water Adjustment

Gallons Purchased: 148,712,250

Gallons Sold: 122,953,100

Cost at New Rate:

148,712.25 x \$1.347 \$200,315

Less

Cost at Base Rate:

148,712.25 x \$1.327 197,341

Increase \$2,974

\$2,974 Increase divided by 122,953.1 gallons sold = \$0.02 per
1,000 gallons.