

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
PENDLETON COUNTY WATER DISTRICT) CASE NO. 95-561

O R D E R

On December 13, 1995, Pendleton County Water District ("Pendleton County") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. Pendleton County purchases water from two suppliers, the City of Falmouth ("Falmouth") and Campbell County Kentucky Water District ("Campbell County").

2. Effective December 15, 1995, Campbell County decreased its rates for wholesale water from \$1.952 per 1,000 gallons to \$1.859 per 1,000 gallons. Falmouth will not change its wholesale rates for water at this time.

3. Pendleton County proposed to decrease the rates to its customers effective December 15, 1995.

4. During the 12 months ending November 30, 1995, Pendleton County purchased 38,904,000 gallons from Falmouth and 55,866,300 gallons from Campbell County, for a total of 94,770,300 gallons, and sold 83,257,750 gallons.

5. Pendleton County's calculations are correct and show a decrease in purchased water cost of \$5,159.57, resulting in a purchased water adjustment of 6 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Pendleton County's customers would decrease 30 cents from \$27.20 to \$26.90, or 1.12 percent.

6. The minimum bill rates proposed by Pendleton County for Griffin Industries, Inc. ("Griffin") and Pendleton County High School ("Pendleton High") are incorrect in that the purchased water adjustment was not correctly applied on a per unit basis as required by 807 KAR 5:068. Pendleton County's tariff sheet showed the minimum bills for Griffin (400,000 gallons) and Pendleton High (125,000 gallons) to be \$1,987.99 and \$623.85, respectively. The correct calculations are set out below.¹ The proposed rates of Pendleton County for these two minimum bills should, therefore, be denied. All other rates proposed by Pendleton County are correct.

7. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

¹	400,000 gallons x \$.06/1,000 gallons	=	\$ 24.00
	125,000 gallons x \$.06/1,000 gallons	=	7.50
	\$2,011.80 (current rate) - \$24.00	=	\$1,987.80
	628.68 (current rate) - 7.50	=	621.18

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after December 15, 1995.

2. Pendleton County shall, within 30 days from the date of this Order, file a revised tariff setting out the rates approved herein.

3. Within 30 days of the date of this Order, Pendleton County shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 12th day of January, 1996.

PUBLIC SERVICE COMMISSION

Lydia K. Breathitt
Chairman

Edwin J. Wilson
Vice Chairman

Robert M. Davis
Commissioner

ATTEST:

Dan Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-561 DATED JANUARY 12, 1996

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

RESIDENTIAL CUSTOMERS:

First	2,000 Gallons (Minimum Bill)	\$	11.21
Next	3,000 Gallons per 1,000 Gallons		5.23
Next	10,000 Gallons per 1,000 Gallons		5.13
Over	15,000 Gallons per 1,000 Gallons		4.96

GRIFFIN INDUSTRIES, INC.

First	400,000 Gallons (Minimum Bill)	\$1,987.80
Over	400,000 Gallons per 1,000 Gallons	4.96

PENDLETON COUNTY HIGH SCHOOL

First	125,000 Gallons (Minimum Bill)	\$	621.18
Over	125,000 Gallons per 1,000 Gallons		4.96