

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
PENDLETON COUNTY WATER DISTRICT) CASE NO. 97-088

O R D E R

On February 24, 1997, 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 Northern Kentucky Water Service District ("Northern Kentucky").
2. Effective January 22, 1997, Northern Kentucky decreased its rates for wholesale water from \$1.952 per 1,000 gallons to \$1.93 per 1,000 gallons. Falmouth did not change its wholesale rates for water at this time.
3. Pendleton County proposed to decrease the rates to its customers effective February 15, 1997.
4. During the 12 months ending January 31, 1997, Pendleton County purchased 43,588,000 gallons from Falmouth and 53,000,600 gallons from Northern Kentucky, for a total of 96,588,600 gallons, and sold 83,965,779 gallons.

5. Pendleton County's calculations are correct and show a decrease in purchased water cost of \$1,116, resulting in a purchased water adjustment of 1 cent per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Pendleton County's customers would decrease 5 cents from \$27.20 to \$27.15 or .18 percent.

6. The minimum bill rates proposed by Pendleton County are incorrect. Pendleton County's tariff sheet showed the minimum bills for its residential customers (2,000 gallons), Griffin (400,000 gallons) and Pendleton High (125,000 gallons) to be \$11.30, \$2,006.39, and \$629.60, respectively. The correct calculations are set out below.¹ The proposed minimum rates of Pendleton County should, therefore, be denied. All other rates proposed by Pendleton County are correct.

7. The purchased water adjustment of 1 cent 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

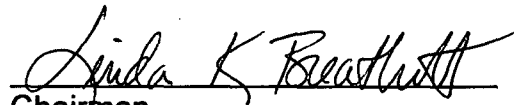
<u>Residential</u>	
First 2,000 gallons - current rate	\$ 11.33
Less 1 cent per 1,000 decrease	<u>.02</u>
New Minimum Rate	\$ 11.31
<u>Griffin</u>	
First 400,000 - current rate	\$2,011.80
Less 1 cent per 1,000 decrease	<u>4.00</u>
New Minimum Rate	\$2,007.80
<u>Pendleton High</u>	
First 125,000 - current rate	\$ 631.30
Less 1 cent per 1,000 decrease	<u>1.25</u>
New Minimum Rate	\$ 630.05

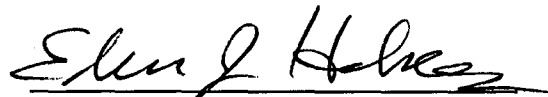
IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 1 cent per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after February 15, 1997.
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 18th day of March, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-088 DATED MARCH 18, 1997

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 the Commission prior to the effective date of this Order.

RESIDENTIAL CUSTOMERS:

First 2,000 Gallons (Minimum Bill)	\$ 11.31
Next 3,000 Gallons per 1,000 Gallons	5.28
Next 10,000 Gallons per 1,000 Gallons	5.18
Over 15,000 Gallons per 1,000 Gallons	5.01

GRIFFIN INDUSTRIES, INC.:

First 400,000 Gallons (Minimum Bill)	\$2,007.80
Over 400,000 Gallons per 1,000 Gallons	5.01

PENDLETON COUNTY HIGH SCHOOL:

First 125,000 Gallons (Minimum Bill)	\$630.05
Next 125,000 Gallons per 1,000 Gallons	5.01