

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )  
PEAKS MILL WATER DISTRICT ) CASE NO. 99-012

O R D E R

On January 7, 1999, Peaks Mill Water District ( Peaks Mill ) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

In its application, Peaks Mill indicated that it purchased water from Frankfort Electric and Water Plant Board ( Frankfort Electric ), and that the rate charged by Frankfort Electric would increase from \$1.30 per 1,000 gallons to \$1.365 per 1,000 gallons. However, as shown in Frankfort Electric s notice to Peaks Mill, this is the rate for wholesalers who produce water. As Peaks Mill does not produce water, the current rate charged by Frankfort Electric is \$1.25 and the proposed rate is \$1.313. In addition to the rate charged by Frankfort Electric, Peaks Mill pays a \$0.05 Kentucky River Authority fee; therefore, Peaks Mill s current rate is \$1.30 and the new rate will be \$1.363. Staff has made these adjustments in the calculation of Peaks Mill s rates.

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

1. Peaks Mill purchases its water from Frankfort Electric.

2. Frankfort Electric increased the wholesale water rate charged to Peaks Mill from \$1.30 per 1,000 gallons to \$1.363 per 1,000 gallons purchased effective January 10, 1999.

3. During the 12 months ending November 30, 1998, Peaks Mill purchased 74,897,200 gallons of water and sold 55,752,000 gallons.

4. The increase in the cost of purchased water is \$4,718.52, resulting in a purchased water adjustment of \$0.08 per 1,000 gallons of water. Based on a monthly usage of 5,000 gallons, the average bill of a Peaks Mill customer would increase \$0.40 from \$27.03 to \$27.43, or 1.5 percent.

5. The calculations and proposed tariff provided by Peaks Mill are incorrect and should be denied.

6. The purchased water adjustment of \$0.08 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. The purchased water adjustment of \$0.08 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after January 10, 1999.

2. The tariff submitted by Peaks Mill is hereby rejected as filed.

3. Within 20 days from the effective date of this Order, Peaks Mill shall file a copy of its revised tariff.

4. Within 20 days from the effective date of this Order, Peaks Mill shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 2<sup>nd</sup> day of February, 1999.

By the Commission

ATTEST:

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Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-012 DATED JANUARY 2, 1999

The following rates and charges are prescribed for the customers in the area served by Peaks Mill 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.

#### Monthly Water Rates

##### 5/8 Inch - 1 Inch Meter

First	2,000 gallons	\$15.16	Minimum bill
Next	1,000 gallons	4.09	per 1,000 gallons
Next	2,000 gallons	3.49	per 1,000 gallons
Over	5,000 gallons	2.29	per 1,000 gallons

##### 1 1/2 Inch 2 Inch Meter

First	113,000 gallons	\$194.56	per 1,000 gallons
Over	113,000 gallons	1.57	per 1,000 gallons