

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)	CASE NO.
ADJUSTMENT FILING OF CORINTH WATER)	2021-00232
DISTRICT)	

ORDER

On June 8, 2021, Corinth Water District (Corinth District) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission notes that in Corinth District's 2019 Annual Report a water loss of 23.4819 percent was reported.² Corinth District's application provides updated purchases and sales information for a more current period than the 2019 Annual Report. Commission regulation 807 KAR 5:066(6)(3) states that for ratemaking purposes a utility's unaccounted-for water loss shall not exceed 15 percent of total water produced and purchased, excluding water consumed by a utility in its own operations. Based upon the updated information in the application and the percentage of other water consumed by the utility in its 2019 Annual Report,³ Corinth District's unaccounted-for water loss is

¹ KRS 278.015; 807 KAR 5:068.

² *Annual Report of Corinth Water District to the Public Service Commission for the Year Ended December 31, 2019*, at 60.

³ *Id.*, line 22, (7,577) divided by line 4 (74,253) equals 10.2043%.

determined to be 23.6097 percent for the updated period.⁴ Reduction of Corinth District's unaccounted-for water loss to 15 percent would result in an approximate \$26,264.84⁵ decrease to purchased water expense. Potentially, Corinth District is paying \$0.4410 per 1,000 gallons sold for expenses associated with unaccounted-for water loss in excess of the allowable 15 percent⁶ threshold.

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent unaccounted-for water loss threshold and strongly encourages Corinth District to pursue reasonable actions to reduce its unaccounted-for water loss. Failure by Corinth District to make significant progress towards reducing unaccounted-for water loss may cause the Commission to pursue additional action with the utility.

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that:

1. Corinth District purchases water from city of Williamstown (Williamstown).
2. Williamstown notified Corinth District that its wholesale rate would increase from \$3.29 per 1,000 gallons to \$3.39 per 1,000 gallons, effective May 15, 2021. Corinth

⁴ Total Purchases (application PWA Form 1 at 2)	89,988,500
Less Total Sales (application PWA Form 1 at 2)	59,559,800
Less Plant Use (% determined from 2019 AR)	<u>9,182,697</u>
Water Loss – Gallons	21,246,003
Water Loss – Percent	23.6097%

⁵ Water loss above 15 percent is 8.6097 percent, potential purchased water expensed reduction (Total water cost at new wholesale rate of \$305,061.02 times water loss above 15 percent) = \$26,264.84.

⁶ Potential purchased water expense reduction divided by sales (\$26,264.84/ (59,559,800/1,000)) equals \$0.4410 per 1,000 gallons.

District proposes to increase the water rates to its customers effective May 30, 2021, to reflect the increased cost of purchased water from Williamstown.

3. Corinth District proposed a purchased water adjustment factor of \$0.16 per 1,000 gallons in its application.

4. During the 12 months ended May 31, 2021, Corinth District purchased 89,988,500 gallons of water from Williamstown. During the same period, Corinth District sold 59,559,800 gallons of water. The increase in the cost of purchased water is \$8,998.85, resulting in a purchased water adjustment factor of \$0.16 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.16 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just and reasonable and should be approved.

6. Corinth District's proposed rates are approved.

7. The rates as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Corinth District on and after May 30, 2021.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment factor of \$0.16 per 1,000 gallons is approved.

2. The rates proposed by Corinth District are approved.

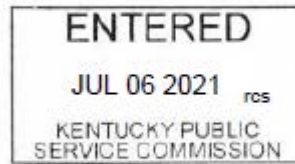
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Corinth District on and after May 30, 2021.

4. Within 20 days of the date of entry of this Order, Corinth District shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

5. This case is closed and removed from the Commission's docket.

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By the Commission



ATTEST:


Executive Director

Case No. 2021-00232

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00232 DATED JUL 06 2021

	Base Rate	New Rate
<u>Williamstown</u>		
Purchases in Gallons	89,988,500	89,988,500
Wholesale rate	<u>\$3.29/1,000</u>	<u>\$ 3.39/1,000</u>
	\$296,062.17	\$305,061.02
Increased water cost		\$ 8,998.85
Increased water cost		\$8,998.85
Divided by Gallons sold/1,000		<u>59,559,800</u>
Purchased water adjustment factor		\$ 0.1511 per 1,000 Gallons
		or \$ 0.16 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00232 DATED JUL 06 2021

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

Monthly Water Rates

First	1,000 Gallons	\$ 18.66 Minimum Bill
Next	4,000 Gallons	\$ 0.01381 per gallon
Next	5,000 Gallons	\$ 0.01239 per gallon
Over	10,000 Gallons	\$ 0.01096 per gallon

Truck Loading Station \$ 0.00757 per gallon

PURCHASED WATER RATES:

City of Williamstown \$ 0.00339 per gallon

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P. O. Box 218
Corinth, KY 41010

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