

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF LEXINGTON-SOUTH) CASE NO. 7394-1
ELKHORN WATER DISTRICT)

O R D E R

On November 17, 1982, Lexington-South Elkhorn Water District ("Lexington-South Elkhorn") filed its application with the Public Service Commission ("Commission") seeking authority to adjust its rates in accordance with 807 KAR 5:067, Purchased Water Adjustment Clause. On November 29, 1982, the Commission issued an Order requesting that additional information be filed. Subsequently, Lexington-South Elkhorn filed a motion for an extension of time to file the additional information which was granted by Commission Order dated December 14, 1982. The required information has now been filed and the record is complete.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

(1) Lexington-South Elkhorn's supplier, Kentucky-American Water Company, Inc., ("Kentucky-American") increased

the wholesale cost of water pursuant to an Order of the Commission in Case No. 8314, Notice of Adjustment of Rates of Kentucky-American Water Company, Inc., effective February 8, 1982.

(2) Lexington-South Elkhorn notified its customers of the proposed increase by bill insert mailed January 20, 1983.

(3) The statement of water purchased and sold by Lexington-South Elkhorn for the 12-month period ending December 31, 1982, shows that its line loss is approximately 25 percent. Lexington-South Elkhorn adjusted its line loss to the maximum of 15 percent allowed by the Commission.

(4) Billing from Kentucky-American to Lexington-South Elkhorn is based on cubic feet. Billing from Lexington-South Elkhorn to its customers is based on gallons. The calculations made by Lexington-South Elkhorn to determine the change in purchased water costs are incorrect due to minor errors in converting the rates from a per cubic foot basis to a per gallon basis. The correct total allowable increase in purchased water costs is \$7,954.15, resulting in a purchased water adjustment of \$.15 per 1,000 gallons.

(5) The financial exhibits filed by Lexington-South Elkhorn indicate that it cannot absorb the increased cost of wholesale water.

(6) The purchased water adjustment in the amount of \$.15 per 1,000 gallons and the rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that the purchased water adjustment in the amount of \$.15 per 1,000 gallons and the rates in

Appendix A be and they hereby are approved for service rendered on and after February 9, 1983.


IT IS FURTHER ORDERED that for the purpose of future application of the purchased water adjustment clause of Lexington-South Elkhorn, the base rates for purchased water shall be:

| <u>Supplier</u> | <u>Usage Level</u> | <u>Rates</u> |
|--|--------------------|------------------------|
| Kentucky-American Water Company, Inc. | First 5,000 c.f. | \$1.18137 per 100 c.f. |
| | Next 30,000 c.f. | .85559 per 100 c.f. |
| | Next 300,000 c.f. | .49720 per 100 c.f. |
| | Over 335,000 c.f. | .32834 per 100 c.f. |

IT IS FURTHER ORDERED that within 30 days of the date of this Order, Lexington-South Elkhorn shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 8th day of February, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 7394-1 DATED February
8, 1983.

The following rates and charges are prescribed for the customers served by Lexington-South Elkhorn 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.

Gallage Block for
Each Meter Size

Monthly Rates for Each
Gallage Block

5/8-inch X 3/4" Meter

| | | |
|-------|----------------|------------------------|
| First | 2,000 gallons | \$8.30 minimum |
| Next | 2,000 gallons | 2.15 per 1,000 gallons |
| Next | 2,000 gallons | 1.65 per 1,000 gallons |
| Next | 10,000 gallons | 1.40 per 1,000 gallons |
| Next | 8,000 gallons | 1.25 per 1,000 gallons |
| Over | 24,000 gallons | 1.05 per 1,000 gallons |

3/4-inch Meter

| | | |
|-------|----------------|------------------------|
| First | 6,000 gallons | \$15.90 minimum |
| Next | 10,000 gallons | 1.40 per 1,000 gallons |
| Next | 8,000 gallons | 1.25 per 1,000 gallons |
| Over | 24,000 gallons | 1.05 per 1,000 gallons |

1-inch Meter

| | | |
|-------|----------------|------------------------|
| First | 10,000 gallons | \$21.50 minimum |
| Next | 6,000 gallons | 1.40 per 1,000 gallons |
| Next | 8,000 gallons | 1.25 per 1,000 gallons |
| Over | 24,000 gallons | 1.05 per 1,000 gallons |

1½-inch Meter

First 16,000 gallons
Next 8,000 gallons
Over 24,000 gallons

\$29.90 minimum
1.25 per 1,000 gallons
1.05 per 1,000 gallons

2-inch Meter

First 24,000 gallons
Over 24,000 gallons

\$39.90 minimum
1.05 per 1,000 gallons