

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF MCKINNEY WATER ASSOCIATION) CASE NO. 8577-1

O R D E R

On March 26, 1984, McKinney Water Association ("McKinney") 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.

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

(1) McKinney purchases water from McKinney Water District, City of Eubank and City of Stanford. The City of Stanford increased the cost of wholesale water from \$1.0825 to \$1.3478, effective March 1, 1984.

(2) The statements of water purchased and sold filed by McKinney for the 12-month period ending December 31, 1983, show that its water loss is approximately 15 percent which is in compliance with the maximum of 15 percent allowed by the Commission.

(3) The total allowable increase in purchased water costs is \$3,245, resulting in a purchased water adjustment in the amount of \$.11 per 1,000 gallons.

(4) The financial information filed by McKinney indicates that it cannot absorb an increase of this magnitude.

(5) The purchased water adjustment in the amount of \$.11 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 \$.11 per 1,000 gallons and the rates in Appendix A be and they hereby are approved for services rendered on and after the date of this Order.

IT IS FURTHER ORDERED that for the purpose of future application of the purchased water adjustment clause of McKinney the base rate for purchased water shall be:

<u>Supplier</u>	<u>Rate</u>
McKinney Water District	\$1.30 per 1,000 gallons
City of Stanford	1.3478 per 1,000 gallons
City of Eubank:	
First 1,000 gallons	\$6.50
Next 4,000 gallons	2.95 per 1,000 gallons
Next 5,000 gallons	2.70 per 1,000 gallons
Next 15,000 gallons	1.95 per 1,000 gallons
Over 25,000 gallons	1.70 per 1,000 gallons

IT IS FURTHER ORDERED that within 30 days of the date of this Order, McKinney shall file its revised tariff sheets setting forth the rates approved herein.

Done at Frankfort, Kentucky, this 7th day of August, 1984.

PUBLIC SERVICE COMMISSION

Richard D. Herman
Chairman

Paul W. Bingham
Vice Chairman

Tom Shull
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8577-1 DATED 8/7/84

The following rates are prescribed for customers served by McKinney Water Association. 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.

<u>GALLONAGE BLOCK</u>	<u>RATE</u>
First 1,000 gallons	\$9.91 Minimum
Next 2,000 gallons	3.01 per 1,000 gallons
Next 7,000 gallons	2.46 per 1,000 gallons
Over 10,000 gallons	1.91 per 1,000 gallons