

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASE WATER ADJUSTMENT OF ;
BRONSTON WATER ASSOCIATION, INC) CASE NO. 8800-1

O R D E R

On December 9, 1983, Bronston Water Association ("Bronston") filed its application with the Public Service Commission ("Commission") for authority to adjust its rates in accordance with 807 KAR 5:067, Purchased Water Adjustment Clause. On February 7, 1984, the Commission ordered that additional information be filed. A portion of the required information was filed on February 17, 1984, along with a request for an extension of time to comply with the remainder of the Order. This request was granted. The remaining information was filed on March 1, 1984, and the record is now complete.

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

(1) Bronston's supplier, Monticello Utility Commission, increased the wholesale cost of water from \$1.10 to \$1.21 per 1,000 gallons, effective January 1, 1984.

(2) In calculating its purchased water adjustment, Bronston used the line loss factor of 9.3 percent shown in Case No. 8800, Notice by Bronston Water Association, Inc., to Increase Its Water Rates, dated September 23, 1983. The statements of water purchased and sold for the 12-month period ending December 31, 1983, filed by Bronston in this case, contain several mathematical errors. After correction of these errors, the statements show that Bronston's line loss is approximately 27 percent and that, upon reduction of the line loss to the maximum of 15 percent allowed by the Commission, Bronston's total allowable increase in purchased water costs is \$5,254.

(3) The calculation for the purchased water adjustment made by Bronston is incorrect due to the mathematical errors and its adjustment for line loss mentioned herein. The correct purchased water adjustment is \$.13 per 1,000 gallons.

(4) The financial exhibits filed by Bronston indicate that it cannot absorb an increase of this magnitude in the wholesale cost of water.

(5) The purchased water adjustment in the amount of \$.13 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 \$.13 per 1,000 gallons and the rates in Appendix A be and they hereby are approved effective for services rendered on and after the date of this Order.

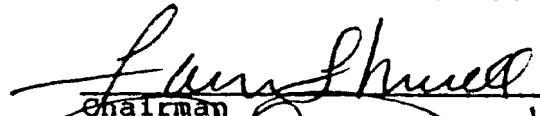
IT IS FURTHER ORDERED that for future application of the purchased water adjustment clause of Bronston, the base rate for purchased water shall be:


<u>Supplier</u>	<u>Rate</u>
Monticello Utility Commission	\$1.21 per 1,000 gallons

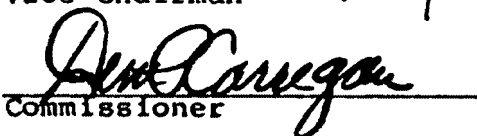
IT IS FURTHER ORDERED that within 30 days of the date of this Order, Bronston shall file its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 27th day of March, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8800-1 DATED MARCH 27,
1984.

Residential and Commercial
5/8-inch X 3/4-inch Meters

<u>Gallage Block</u>	<u>Rate</u>
First 1,500 gallons	\$7.00 (Minimum)
Next 3,500 gallons	2.88 per 1,000 gallons
Next 5,000 gallons	2.13 per 1,000 gallons
Next 5,000 gallons	1.63 per 1,000 gallons
Over 15,000 gallons	1.33 per 1,000 gallons

Special Contract: Woodson Bend, Inc.

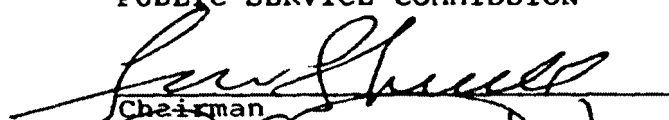
<u>Gallage Block</u>	<u>Rate</u>
First 600,000 gallons	\$1,574.00 (Minimum)
Over 600,000 gallons	1.33 per 1,000 gallons

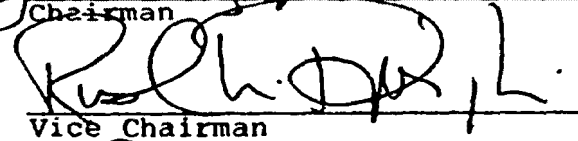
approval by the Commission of financing through the FFB is either necessary or allowable under the circuit court's decision.

For these reasons set forth above, the Public Service Commission of Kentucky hereby disclaims jurisdiction over Big Rivers' financing through the Federal Financing Bank.

Done at Frankfort, Kentucky, this 27th day of March, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary