COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

PURCHASED WATER ADJUSTMENT OF) CASE NO. 9455
PARKSVILLE WATER DISTRICT)

O R D E R

On November 4, 1985, Parksville Water District ("Parksville") filed its application with the Public Service Commission ("Commission") seeking approval of its purchased water adjustment clause and authority to adjust its rates in accordance with that clause.

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

1. The purchased water adjustment clause filed by Parksville is in compliance with 807 KAR 5:067, is in the best interest of Parksville and the public, and should be approved.

2. Parksville's supplier, City of Danville ("City") bills its customers on a declining block rate schedule. Effective August 1, 1985, the City increased its rates for wholesale water by an average of $.37 per 1,000 gallons. In addition, the City assesses a surcharge to be applied to the total water bill of all wholesale customers outside the city limits of Danville. The surcharge to be applied to Parksville's bills was reduced from 30 percent to 20 percent.

3. The statements of water purchased and sold filed by Parksville for the 12-month period ending August 31, 1985, show

that its water loss is approximately 40 percent, which is in excess of the maximum of 15 percent allowed by the Commission.

4. After adjustment for water loss to the maximum of 15 percent, the total allowable gallons upon which the increase in purchased water costs may be based is 53,415,647 gallons.

5. The total allowable increase in purchased water costs is $19,833, resulting in a purchased water adjustment of $.44 per 1,000 gallons.

6. The financial information filed by Parksville indicates that it cannot absorb any portion of the increase in purchased water costs.

7. The purchased water adjustment in the amount of $.44 per 1,000 gallons and the rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED THAT:

1. The purchased water adjustment clause filed by Parksville be and it hereby is approved, effective on and after the date of this Order.

2. The purchased water adjustment in the amount of $.44 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.

3. For purposes of future application of the purchased water adjustment clause of Parksville, the base rate for purchased water shall be:
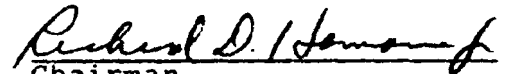
Supplier		Rates*
City of Danville	First 20,000 c.f.	$1.40 per 100 c.f. ($280 Min.)
	Next 80,000 c.f.	1.12 per 100 c.f.
	Next 100,000 c.f.	.87 per 100 c.f.
	Next 300,000 c.f.	.80 per 100 c.f.
	Over 500,000 c.f.	.76 per 100 c.f.

* A surcharge of 20 percent will be added to the total monthly water bill of all wholesale customers outside the city limits.

4. Within 30 days of the date of this Order, Parksville shall file its revised tariff sheets setting out the purchased water adjustment clause and the rates approved herein.

Done at Frankfort, Kentucky, this 30th day of December, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Hermon
Chairman

[signature]
Vice Chairman

[signature]
Commissioner

ATTEST:

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Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9455 DATED DECEMBER 30, 1985

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

5/8 - Inch Meter

Usage Blocks	Monthly Rates
First 1,000 gallons	$7.39 Minimum
Next 4,000 gallons	2.54 per 1,000 gallons
Next 5,000 gallons	2.34 per 1,000 gallons
Over 10,000 gallons	2.19 per 1,000 gallons

1 - Inch Meter

First 5,000 gallons	$17.55 Minimum
Next 5,000 gallons	2.34 per 1,000 gallons
Over 10,000 gallons	2.19 per 1,000 gallons

Bulk Sales

All usage	$3.94 per 1,000 gallons