

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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

ORDER ON RECONSIDERATION

On November 4, 1985, Parksville Water District ("Parksville") filed an application with the Commission seeking approval of its purchased water adjustment clause and authority to adjust its rates in accordance with that clause. In support of the application, Parksville filed Ordinance No. 1147 enacted by its supplier, City of Danville ("City"), on July 23, 1985, whereby its rates for wholesale water were increased and the surcharge imposed on customers located outside the City limits was decreased from 30 percent to 20 percent. On December 30, 1985, the Commission issued its Order approving a purchased water adjustment clause to be used by Parksville and granting a purchased water adjustment to Parksville's rates in the amount of \$.44 per 1,000 gallons based on the information filed in the case.

Subsequently, on January 9, 1986, Parksville filed a petition for reconsideration supported by a water purchase contract with the City dated December 1, 1964, which set the surcharge for Parksville at 20 percent. The Commission is of the opinion that, based on the additional information submitted, reconsideration should be granted.

In addition to the water purchase contract, telephone contact with the City by Commission staff shows that, although the surcharge to Parksville was increased to 30 percent in August of 1982, upon presentation of the contract by Parksville, the City reduced the surcharge to the specified 20 percent. Thus, during the 12-month period upon which the purchased water adjustment was based, the surcharge imposed on Parksville was 20 percent, and no change in the amount of the surcharge occurred when the wholesale rates were increased effective August 1, 1985.

The total allowable increase in purchased water cost based on this additional information is \$23,952, resulting in a purchased water adjustment of \$.53 per 1,000 gallons.

In the course of past case filings and conferences with the Commission and its staff, Parksville has been strongly cautioned that its records should be kept in accordance with the Uniform System of Accounts and that all filings with the Commission should be complete and accurate. Parksville was aware of the existence of the water purchase contract and the occurrences connected thereto which very directly bear on the establishment of rates to be charged its customers. The Commission is of the opinion that because of Parksville's failure to file complete and accurate information in spite of past admonitions, it should not now be allowed to back bill its customers the difference in the purchased water adjustment granted by the Commission's December 30, 1985, Order and the revised adjustment granted herein resulting from Parksville's negligence. Further, the Commission again cautions Parksville that its records must be maintained in an acceptable

manner and that all filings with the Commission must be supported by complete and accurate information.

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

1. Based on the additional information filed by Parksville, the petition for reconsideration should be granted.

2. The surcharge imposed on Parksville by the City during the 12-month period upon which the purchased water adjustment is based was 20 percent.

3. There was no change in the surcharge amount at the time the City's rates were increased.

4. The total allowable increase in purchased water costs is \$23,952, resulting in a purchased water adjustment of \$.53 per 1,000 gallons.

5. The purchased water adjustment in the amount of \$.53 per 1,000 gallons and the rates in Appendix A to this Order are fair, just and reasonable and should be approved.

6. Parksville should not be allowed to back bill its customers for the difference resulting from the purchased water adjustment granted by the Commission's December 30, 1985, Order and the purchased water adjustment granted herein.

7. The Commission's Order of December 30, 1985, except as specifically amended herein, should be affirmed.

IT IS THEREFORE ORDERED THAT:

1. Parksville's petition for reconsideration be and it hereby is granted.

2. The purchased water adjustment in the amount of \$.53 per 1,000 gallons and the rates in Appendix A to this Order be and they hereby are approved effective for services rendered on and after the date of this Order.

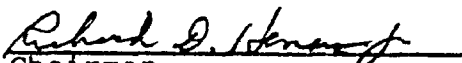
3. Parksville shall not back bill its customers for any differences resulting from the purchased water adjustment granted by the Commission's Order of December 30, 1985, and the purchased water adjustment granted herein.

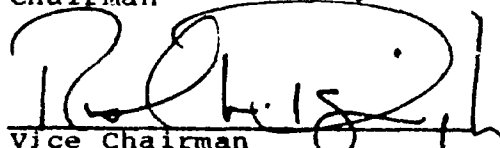
4. Within 30 days of the date of this Order, Parksville shall file its revised tariff sheets setting forth the rates approved herein.

5. The Commission's Order of December 30, 1985, except as specifically amended herein, be and it hereby is affirmed.

Done at Frankfort, Kentucky, this 21st day of January, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9455 DATED JANUARY 21, 1986

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

<u>Usage Blocks</u>	<u>Monthly Rates</u>
First 1,000 gallons	\$7.48 Minimum
Next 4,000 gallons	2.63 per 1,000 gallons
Next 5,000 gallons	2.43 per 1,000 gallons
Over 10,000 gallons	2.28 per 1,000 gallons

1-Inch Meter

First 5,000 gallons	\$18.00 Minimum
Next 5,000 gallons	2.43 per 1,000 gallons
Over 10,000 gallons	2.28 per 1,000 gallons

Bulk Sales

All Usage	\$4.03 per 1,000 gallons
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