

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF THE MILFORD WATER) CASE NO. 9315
COMPANY)

O R D E R

On March 29, 1985, Milford Water Company ("Milford") filed an application for approval of a purchased water adjustment tariff and approval of rates. The Commission issued its Order on July 2, 1985. Milford applied for rehearing on July 19, 1985, which was denied on August 8, 1985.

Milford then filed a complaint in Franklin Circuit Court alleging the unreasonableness of the Order. The Court issued its Order on May 5, 1986, setting aside the Commission's Order. It ordered the Commission to allow the recovery of the purchased water expense and to impose a surcharge to allow recovery of the lost revenues.

In its Order of July 2, 1985, the Commission granted a purchased water adjustment of \$.44 per 1,000 gallons of water sold, an adjustment of \$.10 less per 1,000 gallons than that requested by Milford and ordered by the Court in its Order of May 2, 1986.

During the period from July 2, 1985, to May 2, 1986, Milford sold 40,408,600 gallons of water to its customers, resulting in a revenue loss of \$4,041. In order to recoup this loss, Milford

should determine the volume of water sold to each of its customers during this period of time and the amount of revenue which should be collected from each customer based on \$.10 per 1,000 gallons of water sold. Such amounts, not to exceed a total of \$4,041, should be added to each customer's bill in substantially equal amounts for a period of 3 months. These amounts will be in addition to the current monthly bills.

At the end of the 3-month period, Milford should file a schedule with the Commission showing the amount collected from each customer.

IT IS THEREFORE ORDERED that:

1. The rates in Appendix A shall be placed in effect;
2. Milford shall determine the volume of water sold to each customer from July 2, 1985, to May 2, 1986, and the amount of revenue to be collected from each customer based on \$.10 per 1,000 gallons of water sold;
3. The amount determined to be received, not to exceed \$4,041, shall be added to each customer's bill, in equal amounts for a period of 3 months in addition to the current monthly charge; and
4. A schedule shall be filed with the Commission at the end of the 3 months showing the amount collected from each customer.

Done at Frankfort, Kentucky, this 3rd day of June, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Wrenn
Chairman

[Signature]
Vice Chairman

[Signature]
Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 9315 DATED JUNE 3, 1986.

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

<u>Usage Blocks</u>	<u>Rates</u>
First 2,000 gallons	\$8.98 Minimum
Next 2,000 gallons	2.69 per 1,000 gallons
Next 2,000 gallons	2.19 per 1,000 gallons
Over 6,000 gallons	1.84 per 1,000 gallons