

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )  
HARRISON COUNTY WATER ASSOCIATION ) CASE NO. 9935

O R D E R

On May 19, 1987, Harrison County Water Association ("Harrison") filed its revised tariff sheets with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to KRS 278.012 and 807 KAR 5:068, Purchased Water Adjustment.

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

1. Harrison's supplier, City of Cynthiana ("Cynthiana"), bills on a declining block rate schedule. Cynthiana's rates to Harrison will be increased effective July 1, 1987, pursuant to the City's Ordinance No. 1176-A.
2. Harrison proposed to increase the rates to its customers on July 1, 1987.
3. Harrison purchased 138,008,120 gallons of water and sold 120,184,200 during the 12 months ending April 30, 1987.
4. The increase in purchased water costs is \$83,635, resulting in a purchased water adjustment of \$.70 per 1,000 gallons based on total sales.

5. Harrison has two metered bulk loading stations which register in \$.25 increments. Harrison requested a deviation to allow it to increase the bulk rate by \$.75 due to the metering increments.

6. Harrison sold 9,681,000 gallons through its bulk loading stations during the test period. The requested deviation would result in \$978 revenue in excess of the actual purchased water increase.

7. KRS 278.012 provides for a purchased water adjustment commensurate with that of the supplier. The Commission is of the opinion that a deviation cannot be granted which would result in excess revenues. However, pursuant to 807 KAR 5:006, Section 25, General Rules, the Commission may grant a deviation, for good cause shown, in the method of application prescribed by its rules. (807 KAR 5:068, Section 2(2).) The metering increments of Harrison's bulk loading stations establish good cause for deviation.

8. The purchased water adjustment for other customers should be modified so as to eliminate the excess revenue.

9. Purchased water adjustments in the amounts of \$.75 per 1,000 gallons for bulk loading stations and \$.69 per 1,000 gallons for all other customers should be granted.

10. The rates proposed by Harrison should be denied.

11. The rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The deviation requested and the rates proposed by Harrison are denied.

2. A deviation in the method of application of the purchased water increase is hereby approved as described in Findings 7, 8, and 9 herein.

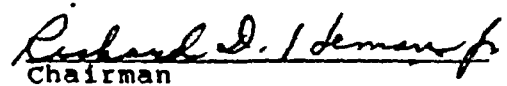
3. Purchased water adjustments in the amounts of \$.75 per 1,000 gallons for bulk loading stations, \$.69 per 1,000 gallons for all other customers and the rates in Appendix A be and they hereby are approved for services rendered on and after July 1, 1987.

4. Within 30 days of the date of this Order, Harrison shall file a copy of the notice to its customers of the increased rates and verification that such notice has been given.

5. Within 30 days of the date of this Order, Harrison shall file its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 16th day of June, 1987.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 9935 DATED JUNE 16, 1987.

The following rates and charges are prescribed for the customers in the area served by Harrison County Water Association. 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 X 3/4-INCH METER

USAGE BLOCKS

First 2,000 gallons  
Next 1,000 gallons  
Next 2,000 gallons  
Next 45,000 gallons  
Over 50,000 gallons

MONTHLY RATES

\$11.88 Minimum  
4.39 per 1,000 gallons  
3.89 per 1,000 gallons  
3.24 per 1,000 gallons  
2.74 per 1,000 gallons

3/4-INCH METER

First 3,000 gallons  
Next 2,000 gallons  
Next 45,000 gallons  
Over 50,000 gallons

\$16.27 Minimum  
3.89 per 1,000 gallons  
3.24 per 1,000 gallons  
2.74 per 1,000 gallons

1-INCH METER

First 5,000 gallons  
Next 45,000 gallons  
Over 50,000 gallons

\$24.05 Minimum  
3.24 per 1,000 gallons  
2.74 per 1,000 gallons

1 1/2-INCH METER

First 10,000 gallons  
Next 40,000 gallons  
Over 50,000 gallons

\$40.25 Minimum  
3.24 per 1,000 gallons  
2.74 per 1,000 gallons

2-INCH METER

First 15,000 gallons  
Next 35,000 gallons  
Over 50,000 gallons

\$56.45 Minimum  
3.24 per 1,000 gallons  
2.74 per 1,000 gallons

Bulk Loading Stations

\$ 5.25 per 1,000 gallons