

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
SOUTH CUMBERLAND WATER DISTRICT) CASE NO. 89-059

O R D E R

On March 15, 1989, South Cumberland Water District ("South Cumberland") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to KRS 278.015 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. South Cumberland's supplier, city of Burkesville, increased its rates for wholesale water from \$.95 to \$1.20 per 1,000 gallons effective July 1, 1988.

2. South Cumberland proposed to increase its rates effective April 1, 1989.

3. During the 12 months ending December 31, 1988, South Cumberland purchased 43,553,700 gallons of water and sold 31,564,500 gallons.

4. South Cumberland's calculations are incorrect in that South Cumberland inadvertently used 33,553,700 gallons as the gallons purchased in determining the increase in costs rather than 43,553,700 gallons, which is the correct volume of purchases.

5. The increase in the cost of purchased water is \$10,888, resulting in a purchased water adjustment of \$.35 per 1,000 gallons as shown in Appendix B.

6. The purchased water adjustment of \$.35 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 rates proposed by South Cumberland are denied.

2. The purchased water adjustment in Appendix B and the rates in Appendix A, attached and incorporated hereto, are approved for services rendered on and after April 1, 1989.

3. Within 30 days of the date of this Order, South Cumberland shall file its revised tariff setting out the rates approved herein.

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

Done at Frankfort, Kentucky, this 12th day of April, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-059 DATED 4/12/89

The following rates and charges are prescribed for the customers in the area served by South Cumberland 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 x 3/4 Inch Meter

Monthly Rate

First 2,000 gallons	\$ 10.90 Minimum
Next 3,000 gallons	4.10 per 1,000 gallons
Next 5,000 gallons	3.05 per 1,000 gallons
Over 10,000 gallons	2.05 per 1,000 gallons

1 Inch Meter

First 5,000 gallons	\$ 27.25 Minimum
Next 5,000 gallons	3.05 per 1,000 gallons
Over 10,000 gallons	2.05 per 1,000 gallons

1 1/2 Inch Meter

First 12,500 gallons	\$ 68.13 Minimum
Over 12,500 gallons	2.05 per 1,000 gallons

2 Inch Meter

First 25,000 gallons	\$136.25 Minimum
Over 25,000 gallons	2.05 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-059 DATED 4/12/89

Calculation of Purchased Water Adjustment

Gallons Purchased:	Meter No. 1	36,046,700
	Meter No. 2	2,710,500
	Meter No. 3	<u>4,796,500</u>
	Total	<u>43,553,700</u>

Gallons Sold: 31,564,500

Cost at Changed Rate:

43,553.7 m. gallons x \$1.20 = \$52,264.44

Less

Cost at Base Rate:

43,553.7 m. gallons x \$.95 = \$41,376.02

Increase in Costs: \$10,888.42

\$10,888.42 ÷ 31,564.5 m. gallons sold = \$.3450 or \$.35/1,000 gallons