

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
ELKHORN WATER DISTRICT) CASE NO. 90-315

O R D E R

On October 10, 1990, Elkhorn Water District ("Elkhorn") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds:

1. Elkhorn purchases water from the city of Frankfort ("Frankfort").

2. Frankfort increased its rate for wholesale water from 80 cents to 90 cents per 1,000 gallons effective with the October 15, 1990 billing, which reflected usage in prior months.

3. Elkhorn increased the rates to its customers effective October 1, 1990.

4. During the 12 months ending August 31, 1990, Elkhorn purchased 47,203,400 gallons of water and sold 39,377,500 gallons.

5. Elkhorn's calculations and proposed rates are incorrect in that the exact difference between the supplier's base rate and changed rate was applied to Elkhorn's rates rather than the amount

resulting when the calculations are based on the volume of water purchased and sold in accordance with 807 KAR 5:068.

6. The increase in purchased water costs is \$4,720, resulting in a purchased water adjustment of 12 cents per 1,000 gallons.

7. The purchased water adjustment and the rates shown in Appendices A and B, attached hereto and incorporated herein, are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment and rates proposed by Elkhorn are denied.

2. The purchased water adjustment and rates in Appendices A and B are approved for services rendered on and after October 1, 1990.

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

4. Within 20 days of the date of this Order, Elkhorn shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 29th day of October, 1990.

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. 90-315 DATED October 29, 1990.

The following rates and charges are prescribed for the customers in the area served by Elkhorn 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.

GENERAL SERVICE

	<u>Monthly Rate</u>
First 2,000 gallons	\$7.59 Minimum Bill
Next 3,000 gallons	2.72 per 1,000 gallons
Next 5,000 gallons	2.32 per 1,000 gallons
Over 10,000 gallons	1.52 per 1,000 gallons

MINIMUM BILLS

General Service Meters

5/8 inch	2,000 gallons	\$7.59
1 inch	5,000 gallons	15.75
1 1/2 inch	10,000 gallons	27.35
2 inch	16,000 gallons	36.47

All usage in excess of the minimum shall be billed according to the General Rate Schedule.

Mobile Home Parks

McConnell	15,000 gallons	\$ 57.00
Elkhorn	76,000 gallons	288.80
Capital	125,000 gallons	475.00

Minimums for mobile home parks are determined by multiplying the number of spaces available by one half the minimum usage allowance and minimum bill for general service. All usage in excess of the minimum is billed at general service rates.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-315 DATED October 29, 1990.

PURCHASED WATER ADJUSTMENT CALCULATIONS

Gallons Purchased: 47,203,400
Gallons Sold: 39,377,500

Cost at Changed Rate:

47,203.4 m. gallons x \$.90 per 1,000 = \$42,483.06

Less

47,203.4 m. gallons x \$.80 per 1,000 = 37,762.72
Increased Cost \$ 4,720.34

\$4,720.34 + 39,377.5 m. gallons sold = \$.1198 or \$.12 per 1,000
gallons