

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
PENDLETON WATER DISTRICT) CASE NO. 91-307

O R D E R

On August 27, 1991, Pendleton Water District ("Pendleton") 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 that:

1. Pendleton purchases water from the city of Falmouth ("Falmouth") and the Campbell County Kentucky Water District ("Campbell"). Falmouth bills Pendleton on a five-step block rate schedule and Campbell bills them on a flat rate.

2. Effective with the July 1991 billing, Falmouth increased its rate to Pendleton by \$.29 per 1,000 gallons or from \$1.47 to \$1.76 per 1,000 gallons. The total increase in purchased water costs will result in an increase to the average monthly bill from \$30.69 to \$31.54 which is an increase of 2.77 percent. There was no change in the rate charged by Campbell.

3. Pendleton increased the rate to its customers effective September 1, 1991.

4. During the 12 months ending August 31, 1991, Pendleton purchased 31,315,000 gallons of water from Falmouth, and 56,551,310 from Campbell. Pendleton sold 78,154,672 gallons of water during the same 12-month period.

5. Pendleton's calculations are correct and show an increase in purchased water costs of \$9,060, resulting in a purchased water adjustment of 12 cents per 1,000 gallons of water.

6. The rates proposed by Pendleton are incorrect in that the purchased water adjustment was not correctly applied on a per unit basis to the minimum bills as required by 807 KAR 5:068. The minimum bills for residential customers, Griffin Industries, Inc., and Pendleton County High School are incorrectly calculated. Pendleton's tariff sheet showed the minimum bills for residential customers (First 2,000 gallons), for Griffin Industries, Inc. (400,000 gallons) and Pendleton County High School (First 125,000 gallons) to be \$9.42, \$1,656 and \$517.50, or an increase of \$.23, \$44.60, and \$11.60 respectively. As shown below, the correct amount of the increase is \$.24, \$48.00, and \$15.00 respectively.¹ The proposed rates should, therefore, be denied.

¹

2,000 gallons	x	\$.12/1,000 gallons	=	\$.24
400,000 gallons	x	.12/1,000 gallons	=	48.00
125,000 gallons	x	.12/1,000 gallons	=	15.00
\$.24	+	\$ 9.19	=	\$ 9.43
48.00	+	1,611.40	=	1,659.40
15.00	+	505.90	=	520.90

7. The purchased water adjustment of 12 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Pendleton are denied.

2. The purchased water adjustment of 12 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after September 1, 1991.

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

4. Within 20 days of the date of this Order, Pendleton shall file verification that notice has been given to its customers.

Done at Frankfort, Kentucky, this 24th day of September, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Commissioner


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-307 DATED 9/24/91

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

Residential Customers

Rates

First 2,000 gallons	\$ 9.43 Minimum Bill
Next 3,000 gallons	4.39 per 1,000 gallons
Next 10,000 gallons	4.29 per 1,000 gallons
Over 15,000 gallons	4.14 per 1,000 gallons

Griffin Industries, Inc.

First 400,000 gallons	\$ 1,659.40 Minimum Bill
Over 400,000 gallons	4.14 per 1,000 gallons

Pendleton County High School

First 125,000 gallons	\$ 520.90 Minimum Bill
Over 125,000 gallons	4.14 per 1,000 gallons