

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF ALTON)
WATER AND SEWER DISTRICT) CASE NO. 91-338

O R D E R

On September 18, 1991, Alton Water and Sewer District ("Alton") 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 revised tariff sheet filed by Alton listed an effective date for the proposed rate increase of September 13, 1991. A copy of the notice from its wholesale supplier showed the effective date of the increase to be October 8, 1991. Therefore, Alton's adjusted rates should be made effective October 8, 1991. After consultation with Commission Staff, Alton filed a corrected tariff October 2, 1991 and the record is now complete.

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

1. Alton's supplier, city of Lawrenceburg, will increase its rate for wholesale water from \$.89 to \$1.17 per 1,000 gallons effective October 8, 1991.

2. Alton increased the rates to its customers effective October 8, 1991. The average monthly bill will increase from \$27.97 to \$30.30, which is an increase of 8.33 percent. These monthly bills are derived from information contained in Alton's 1990 annual report, which is incorporated by reference herein.

3. During the 12 months ending June 30, 1991, Alton purchased 29,754,300 gallons of water and sold 27,967,984 gallons.

4. The calculations made by Alton are incorrect in that Alton did not properly round its purchased water adjustment factor. The correct increase in Alton's purchased water costs is \$8,331.20, resulting in a purchased water adjustment of 30 cents per 1,000 gallons of water as shown in Appendix B.

5. The purchased water adjustment of 30 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.

6. The tariff sheet filed by Alton October 2, 1991 is correct and should be approved as filed.

IT IS THEREFORE ORDERED that:

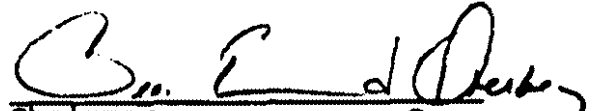
1. The purchased water adjustment of 30 cents per 1,000 gallons shown in Appendix B and the rates in Appendix A are hereby approved for services rendered on and after October 8, 1991.

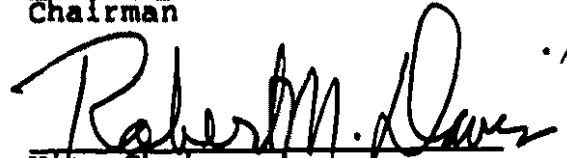
2. The tariff sheet filed by Alton October 2, 1991 is approved as filed.

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

Done at Frankfort, Kentucky, this 18th day of October, 1991.

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. 91-338 DATED October 18, 1991.

The following rates and charges are prescribed for the customers in the area served by Alton Water and Sewer 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.

<u>Usage Blocks</u>	<u>Monthly Rate</u>
First 2,000 gallons	\$10.30 Minimum Bill
Next 2,000 gallons	4.20 per 1,000 gallons
Next 2,000 gallons	3.45 per 1,000 gallons
Next 4,000 gallons	2.65 per 1,000 gallons
Over 10,000 gallons	2.05 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-338 DATED October 18, 1991.

PURCHASED WATER ADJUSTMENTS CALCULATIONS

Water Purchased: 29,754,300 gallons
Water Sold: 27,967,984 gallons

Cost at Changed Rate:

29,754,300 gallons x \$1.17/1,000 gallons = \$34,812.53

LESS

29,754,300 gallons x \$.89/1,000 gallons = 26,481.33

Total Increase in Purchased Water Costs \$ 8,331.20

\$8,331.20 + 29,754,300 gals. = \$.2979 or 30 cents/1,000 gals.