

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF SOUTH }
641 WATER DISTRICT } CASE NO. 91-339

O R D E R

On September 18, 1991, South 641 Water District ("District") 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. The District's supplier, Murray Waste and Wastewater System ("Murray"), increased its rate for water sold to the District from \$.85 to \$1.25 per 1,000 gallons, effective March 7, 1991. The average monthly bill will increase from \$16.57 to \$18.36 which is an increase of 10.80 percent.

2. During the 12 months ending June 30, 1991, the District purchased 17,013,000 gallons of water and sold 16,475,000 gallons.

3. The District increased the rates to its customers effective September 10, 1991.

4. Due to a rounding error, the District's purchased water adjustment factor is incorrect. The increase in the cost of purchased water is \$6,805, resulting in a purchased water adjustment of 41 cents per 1,000 gallons as shown in Appendix B.

5. The purchased water adjustment of 41 cents per 1,000 gallons and the rates shown 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 the District are denied.
2. The purchased water adjustment of 41 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after September 10, 1991.
3. Within 30 days of the date of this Order, the District shall file its revised tariff sheet setting out the rates approved herein.
4. Within 20 days of the date of this Order, the District shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 2nd day of October, 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. 91-339 DATED 10/02/91

The following rates and charges are prescribed for the customers in the area served by South 641 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.

<u>Usage Blocks</u>	<u>Monthly Rates</u>
First 2,000 gallons	\$9.07 Minimum Bill
Next 3,000 gallons	3.91 per 1,000 gallons
Next 5,000 gallons	3.41 per 1,000 gallons
Over 10,000 gallons	2.91 per 1,000 gallons

APPENDIX B

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-339 DATED 10/02/91**

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 17,013,000 gallons

Water Sold: 16,475,000 gallons

Cost at Changed Rate:

17,013,000 m. gallons x \$1.25 per 1,000 gallons = \$21,266.25

LESS

Cost at Base Rate:

17,013,000 m. gallons x \$0.85 per 1,000 gallons = \$14,461.05

Total Increase in Purchased Water Cost: \$6,805.20

\$6,805.20 ÷ 16,475,000 m. gallons = \$.4131 or \$.41/1,000 gallons