

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )  
PENDLETON COUNTY WATER DISTRICT ) CASE NO. 92-188

O R D E R

On May 1, 1992, Pendleton County 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 Campbell County Water District ("Campbell").

2. Effective November 8, 1991, Campbell increased its rate for water sold to Pendleton from \$1.3519 to \$1.5948 per 1,000 gallons. Subsequently, Campbell reduced the rate from \$1.5948 to \$1.54 effective February 18, 1992. There has been no change in the rates charged by the city of Falmouth.

3. Pendleton did not adjust the rates to its customers to encompass the November 8, 1991 supplier increase, but proposed herein to adjust its rates based on the supplier rate of \$1.3519, in effect immediately prior to the most recent supplier increase, and the reduced changed rate of \$1.54. Pendleton proposed to

adjust the rates to its customers effective May 15, 1992. Based on an average monthly usage of 5,000 gallons per month, the monthly bills of Pendleton's customers will increase by \$.65 from \$22.60 to \$23.25.

4. During the 12 months ending March 31, 1992, Pendleton purchased 88,552,520 gallons of water, of which 32,601,000 gallons were purchased from Falmouth and 55,951,520 from Campbell. Pendleton sold 83,456,462 gallons of water during the same 12-month period.

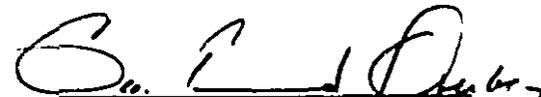
5. Pendleton's calculations are incorrect in that Pendleton rounded the base rate to \$1.35 rather than utilizing the correct base rate of \$1.3519. The increase in purchased water costs is \$10,524, resulting in a purchased water adjustment of 13 cents per 1,000 gallons. The purchased water adjustment of 13 cents per 1,000 gallons as shown in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are fair, just and reasonable and should be approved.

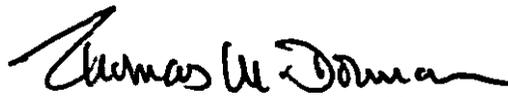
IT IS THEREFORE ORDERED that:

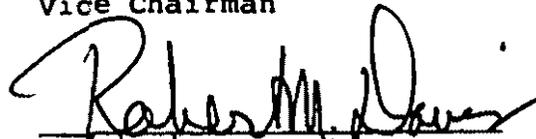
1. The rates proposed by Pendleton are denied.
2. The purchased water adjustment of 13 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after May 15, 1992.
3. Within 30 days of the date of this Order, Pendleton shall file revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 13th day of May, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director, Acting

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 92-188 DATED 5/13/92

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

Monthly Rates

First 2,000 gallons	\$9.69 Minimum Bill
Next 3,000 gallons	4.52 per 1,000 gallons
Next 10,000 gallons	4.42 per 1,000 gallons
Over 15,000 gallons	4.27 per 1,000 gallons

Griffin Industries

First 400,000 gallons	\$1,711.40 Minimum bill
Over 400,000 gallons	4.27 per 1,000 gallons

Pendleton County High School

First 125,000 gallons	\$537.15 Minimum Bill
Over 125,000 gallons	4.27 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 92-188 DATED 5/13/92

Calculation of Purchased Water Adjustment

Gallons Purchased:	City of Falmouth	32,601,000
	Campbell Co. W. D.	<u>55,951,520</u>
		88,552,520

Gallons Sold: 83,456,462

Cost at Changed Rate: 55,951.520 m. gals. x \$1.54 = \$86,165.34

Less

Cost at Base Rate: 55,951.520 m. gals. x \$1.3519 = \$75,640.86

Increase \$10,524.48

\$10,524.48 increase + 83,456.462 m. gals. sold = \$.1261 or  
\$.13 per 1,000 gallons.