

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )  
GARRARD COUNTY WATER ASSOCIATION, INC. ) CASE NO. 94-131

O R D E R

On April 4, 1994, Garrard County Water Association, Inc. ("Garrard County") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

1. Garrard County purchases water from two suppliers, the City of Lancaster ("Lancaster") and Berea College ("Berea"). On April 1, 1994, the Kentucky River Authority began charging withdrawal fees to both of the suppliers.

2. Effective April 1, 1994, Lancaster increased its rate for wholesale water from \$1.34 per 1,000 gallons to \$1.384 per 1,000 gallons, and on April 20, 1994, Berea increased its rate for wholesale water from \$1.95 per 1,000 gallons to \$1.978 per 1,000 gallons.

3. Garrard County initially proposed to increase the rates to its customers effective April 1, 1994.

4. The Commission will not permit a utility to recover wholesale rate increases prior to the date they were incurred.

After the utility was informed of this prohibition, it requested the increase in rates to its customers be effective May 6, 1994.

5. During the 12 months ending February 1994, Garrard County purchased 183,353,900 gallons of water from Lancaster and 9,139,100 from Berea. During that same period of time Garrard County sold 153,834,600 gallons.

6. Garrard County's calculations are correct and show an increase in purchased water cost of \$8,323.46, resulting in a purchased water adjustment of 5 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to Garrard County's customers will increase from \$24.55 to \$24.80, an increase of 1.0 percent.

7. The purchased water adjustment of 5 cents per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

8. The tariff proposed by Garrard County should be denied.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 5 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after May 6, 1994.

2. Within 30 days of the date of this Order, Garrard County shall file its revised rates approved herein.

3. Within 30 days of the date of this Order, Garrard County shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 6th day of May, 1994.

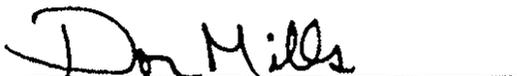
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 94-131 DATED May 6, 1994

The following rates and charges are prescribed for the customers in the area served by Garrard County Water Association, Inc. 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, FARM AND SMALL COMMERCIAL

5/8" x 3/4" Meter Schedule

First	1,000 Gallons	\$ 9.62 (Minimum Bill)
Next	1,000 Gallons	4.72 per 1,000 Gallons
Next	1,000 Gallons	3.62 per 1,000 Gallons
Next	2,000 Gallons	3.42 per 1,000 Gallons
All Over	5,000 Gallons	3.12 per 1,000 Gallons

LARGE COMMERCIAL, DAIRY FARM AND SCHOOL CONNECTIONS

1" Meter Schedule

First	5,000 Gallons	\$24.80 (Minimum Bill)
All Over	5,000 Gallons	3.12 per 1,000 Gallons

1 1/2" Meter Schedule

First	10,000 Gallons	\$40.40 (Minimum Bill)
All Over	10,000 Gallons	3.12 per 1,000 Gallons

2" Meter Schedule

First	25,000 Gallons	\$87.20 (Minimum Bill)
All Over	25,000 Gallons	3.12 per 1,000 Gallons