

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PROPOSED TARIFF FILING OF       )  
KENTUCKY-AMERICAN WATER COMPANY )       CASE NO. 94-194

          O R D E R          

On March 25, 1994, Kentucky-American Water Company ("Kentucky-American") applied to the Commission for approval of the methodology which it will use to recover Kentucky River Authority ("KRA") withdrawal fees. The Commission has previously approved a revision to Kentucky-American's Service Classification No. 6 Tariff to permit its bills to show, as a separate item, an amount equal to the proportionate part of KRA withdrawal fees.<sup>1</sup> On June 9, 1994, the Commission issued an Order allowing Kentucky-American to recover the KRA withdrawal fees for water sold and for unaccounted for water.<sup>2</sup>

On December 28, 1994, Kentucky-American applied to the Commission for approval to adjust its withdrawal fee from \$.05055 to \$.05191 per 1,000 gallons based on the amount of water withdrawn

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<sup>1</sup> Case No. 92-452, Notice of Adjustment of the Rates of Kentucky-American Water Company (November 19, 1993) at 49.

<sup>2</sup> Case No. 94-194, The Proposed Tariff Filing of Kentucky-American Water Company (June 9, 1994).

from the Kentucky River and transferred to its Jacobson Reservoir during 1994.<sup>1</sup>

The Commission finds that:

1. Kentucky-American's proposed adjustment should be approved.

2. Kentucky-American should maintain records of its collections under its Service Classification No. 6 Tariff for KRA withdrawal fees.

3. Any over- or under-recovery of such fees shall be addressed in Kentucky-American's next general rate case.

IT IS THEREFORE ORDERED that:

1. Kentucky-American is authorized to charge a rate of \$.05191 per 1,000 gallons of water under its Service Classification No. 6 Tariff for KRA withdrawal fees.

2. Kentucky-American shall maintain a record of its collections under its Service Classification No. 6 Tariff for KRA withdrawal fees.

3. Kentucky-American shall advise the Commission of any change or revision in KRA withdrawal fees.

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<sup>1</sup> \$289,891 (estimated KRA withdrawal fee) + 5,584,338,000 gallons (estimated water sold) = \$.05191 per 1,000 gallons.

Done at Frankfort, Kentucky, this 9th day of February, 1995.

PUBLIC SERVICE COMMISSION

*S. L. J. Dancy*  
Chairman

*Robert M. Jones*  
Vice Chairman

*Linda K. Breckhoff*  
Commissioner

ATTEST:

*Don Mills*  
Executive Director