

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )  
TRI-VILLAGE WATER DISTRICT ) CASE NO. 96-028

O R D E R

On February 1, 1996, Tri-Village Water District ("Tri-Village") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. Tri-Village purchases water from the City of Owenton ("Owenton").
2. Effective April 15, 1995, Owenton increased its rates for wholesale water from \$1.29 per 1,000 gallons to \$1.32 per 1,000 gallons.
3. During the 12 months ending December 31, 1995, Tri-Village purchased 89,675,000 gallons of water and sold 67,614,500 gallons.
4. Tri-Village's calculations are incorrect in that the proposed rates are not calculated using the formula set out in 807 KAR 5:068, Purchased Water Adjustment for Water Districts and

Associations. The correct calculations are set out in Appendix B to this Order.

5. Based on Owenton's current charges for purchased water, Tri-Village's purchased water cost will increase by \$2,959, resulting in a purchased water adjustment of 4 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to Tri-Village's customers will increase 20 cents from \$27.40 to \$27.60, an increase of .7 percent.

6. Tri-Village's proposed tariff filing is incorrect.

7. The purchased water adjustment of 4 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.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 4 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after March 1, 1996.

2. Tri-Village's proposed tariff is denied.

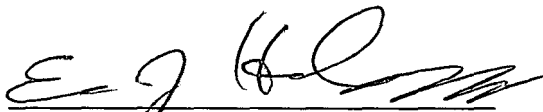
3. Within 30 days of the date of this Order, Tri-Village shall file verification that the notice to its customers has been given.

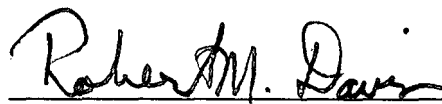
4. Within 30 days of the date of this Order, Tri-Village shall file revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 29th day of February, 1996.

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. 96-028 DATED FEBRUARY 29, 1996.

The following rates and charges are prescribed for the customers in the area served by Tri-Village 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.

MONTHLY RATES

First	2,000 gallons	\$14.58 Minimum Bill
Next	4,000 gallons	4.34 per 1,000 gallons
Next	4,000 gallons	4.24 per 1,000 gallons
Next	10,000 gallons	4.14 per 1,000 gallons
Over	20,000 gallons	3.94 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 96-028 DATED FEBRUARY 29, 1996.

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 89,675,000 gallons  
Water Sold: 67,614,500 gallons

Cost at Changed Rate:

89,675.0 x \$1.3194 = \$118,317.20

LESS

Cost at Base Rate:

89,675.0 x \$1.2864 = \$115,357.92

Increase in Cost: \$ 2,959.28

\$2,959.28 ÷ 67,614.5 gallons sold = .0438 or \$0.04  
per 1,000 gallons