

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
PENDLETON COUNTY WATER DISTRICT) CASE NO. 96-265

O R D E R

On June 10, 1996, Pendleton County Water District ("Pendleton 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 278.015 and 807 KAR 5:068.

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

1. Pendleton County purchases water from two suppliers, the City of Falmouth ("Falmouth") and Campbell County Kentucky Water District ("Campbell County").
2. Effective June 16, 1996, Campbell County increased its rates for wholesale water from \$1.859 per 1,000 gallons to \$1.952 per 1,000 gallons. Falmouth did not change its wholesale rates for water at this time.
3. Pendleton County proposed to increase the rates to its customers effective June 16, 1996.
4. During the 12 months ending May 31, 1996, Pendleton County purchased 40,460,000 gallons from Falmouth and 56,266,900 gallons from Campbell County, for a total of 96,726,900 gallons, and sold 83,151,006 gallons.

5. Pendleton County's calculations are correct and show an increase in purchased water cost of \$5,232.82, resulting in a purchased water adjustment of 6 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Pendleton County's customers would increase 30 cents from \$26.90 to \$27.20, or 11 percent.

6. The minimum bill rates proposed by Pendleton County for Griffin Industries, Inc. ("Griffin") and Pendleton County High School ("Pendleton High") are incorrect. Pendleton County's tariff sheet showed the minimum bills for Griffin (400,000 gallons) and Pendleton High (125,000 gallons) to be \$2,011.99 and \$631.35, respectively. The correct calculations are set out below.¹ The proposed rates of Pendleton County for these two

¹

Griffin

| | | | | | |
|-------|-----------------|---|-----------|---|----------------|
| First | 2,000 gallons | @ | 11.33 | = | \$ 11.33 |
| Next | 3,000 gallons | @ | 5.29/1000 | = | 15.87 |
| Next | 10,000 gallons | @ | 5.19/1000 | = | 51.90 |
| Next | 385,000 gallons | @ | 5.02/1000 | = | <u>1932.70</u> |

\$2011.80

Pendleton High

| | | | | | |
|-------|-----------------|---|-----------|---|---------------|
| First | 2,000 gallons | @ | 11.33 | = | \$ 11.33 |
| Next | 3,000 gallons | @ | 5.29/1000 | = | 15.87 |
| Next | 10,000 gallons | @ | 5.19/1000 | = | 51.90 |
| Next | 110,000 gallons | @ | 5.02/1000 | = | <u>552.20</u> |

\$ 631.30

minimum bills should, therefore, be denied. All other rates proposed by Pendleton County are correct.

7. The purchased water adjustment of 6 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:

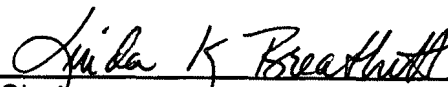
1. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after June 16, 1996.


2. Pendleton County shall, within 30 days from the date of this Order, file a revised tariff setting out the rates approved herein.


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

Done at Frankfort, Kentucky, this 2nd day of July, 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. 96-265 DATED JULY 2, 1996.

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:

| | | | |
|-------|--------|---------------------------|----------|
| First | 2,000 | Gallons (Minimum Bill) | \$ 11.33 |
| Next | 3,000 | Gallons per 1,000 Gallons | 5.29 |
| Next | 10,000 | Gallons per 1,000 Gallons | 5.19 |
| Over | 15,000 | Gallons per 1,000 Gallons | 5.02 |

GRIFFIN INDUSTRIES, INC.

| | | | |
|-------|---------|---------------------------|------------|
| First | 400,000 | Gallons (Minimum Bill) | \$2,011.80 |
| Over | 400,000 | Gallons per 1,000 Gallons | 5.02 |

PENDLETON COUNTY HIGH SCHOOL

| | | | |
|-------|---------|---------------------------|-----------|
| First | 125,000 | Gallons (Minimum Bill) | \$ 631.30 |
| Over | 125,000 | Gallons per 1,000 Gallons | 5.02 |