

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
SALT RIVER WATER DISTRICT) CASE NO. 93-023

O R D E R

On January 20, 1993, Salt River Water District ("Salt River") 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. Salt River purchases water from Louisville Water Company.
2. Effective January 1, 1993, Louisville Water Company increased its rate for wholesale water from \$1.10 per 1,000 gallons to \$1.13 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons monthly bills to Salt River customers will increase from \$31.20 to \$31.35, an increase of 1 percent.
3. Salt River proposed to increase the rate to its customers effective January 1, 1993.
4. The purchased water adjustment and the rates proposed by Salt River are incorrect and should be denied insofar that they failed to calculate the increase to their customers correctly.
5. During the 12 months ending December 31, 1992, Salt River purchased 127,094,000 gallons of water and sold 92,896,100 gallons.

6. Salt River's calculations in the increased cost of purchased water are correct and show an increase in purchased water cost of \$3,856.02 resulting in a purchased water adjustment of 4 cents per 1,000 gallons to their customers as shown in Appendix B.

7. The purchased water adjustment of 4 cents per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Salt River in its application are incorrect and are hereby denied.


2. The purchased water adjustment of 4 cents per 1,000 gallons of water as shown in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after January 1, 1993.

3. Within 30 days of the date of this Order, Salt River shall file revised tariffs setting out the rates approved herein.

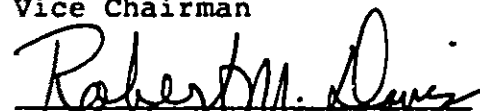
4. Within 30 days of the date of this Order, Salt River shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 10th day of February, 1993.

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. 93-023 DATED February 10, 1993

The following rates and charges are prescribed for the customers in the area served by Salt River 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.

Rates: Monthly

5/8 x 3/4 Inch Connection

First 2,000 gallons	\$16.46 Minimum Bill
Next 3,000 gallons	4.98 per 1,000 gallons
Next 5,000 gallons	4.48 per 1,000 gallons
Next 15,000 gallons	4.23 per 1,000 gallons
Over 25,000 gallons	3.73 per 1,000 gallons

1 Inch Connection

First 5,000 gallons	\$31.40 Minimum Bill
Next 5,000 gallons	4.48 per 1,000 gallons
Next 15,000 gallons	4.23 per 1,000 gallons
Over 25,000 gallons	3.73 per 1,000 gallons

1 1/2 to 4 Inch Connection

First 10,000 gallons	\$53.80 Minimum Bill
Next 15,000 gallons	4.23 per 1,000 gallons
Over 25,000 gallons	3.73 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-023 DATED February 10, 1993

Calculation of Purchased Water Adjustment

Total Gallons Purchased	127,094,000
Total Gallons Sold	92,896,100
Cost at New Rates:	
Fixed Cost \$104.70 x 12 =	\$ 1,256.40
127,094.000 m. gals. x \$1.13 =	<u>143,616.22</u>
	\$ <u>144,872.62</u>
Cost at Old Rates:	
Fixed Cost \$101.10 x 12 =	\$ 1,213.20
127,094.000 m. gals. x \$1.10	<u>139,803.40</u>
	\$ <u>141,016.60</u>
Increase	\$ 3,856.02

\$3,856.02 + 92,896.100 m. gals. sold = \$.0415 or 4 cents per 1,000
gallons