

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF ADJUSTMENT OF THE)
RATES OF KENTUCKY-AMERICAN) CASE NO. 8571
WATER COMPANY)

O R D E R

On February 17, 1983, the Commission issued an Order in the above case granting Kentucky-American Water Company ("Kentucky-American") an increase in annual revenues. As a part of the proceedings Kentucky-American proposed to adjust its power cost to reflect the proposed rates of its supplier, Kentucky Utilities Company ("KU"), in its application (Case No. 8624) that was pending before the Commission. Because the increase in power costs was neither known nor measurable at the time of the February 17, 1983, Order in this matter, Kentucky-American was granted the authority to file new tariffs that would recover the increased power costs following the issuance of the final Order in Case No. 8624. On March 12, 1983, the Commission entered its decision in Case No. 8624.

Kentucky-American filed a tariff on March 24, 1983, to be effective March 12, 1983, with rates designed to recover an additional \$62,820 on an annual basis which is equal to its additional cost of power from KU.

FINDINGS

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. The rates proposed by Kentucky-American in this tariff produce additional operating revenues of \$62,820 for the adjusted test year ending May 31, 1982, and are the fair, just and reasonable rates to be charged for water service by Kentucky-American.

2. The proposed effective date of March 12, 1983, fails to give proper notice pursuant to 807 KAR 5:011, Section 6(3)(b).

3. The effective date should be the date the tariff was filed with the Commission plus 20 days, or April 13, 1983.

IT IS THEREFORE ORDERED that the proposed effective date sought by Kentucky-American be and it hereby is denied upon application of 807 KAR 5:011, Section 6(3)(b).

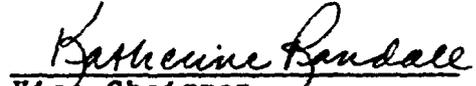
IT IS FURTHER ORDERED that the rates in the Appendix be and they hereby are approved as the fair, just and reasonable rates for water service provided by Kentucky-American effective with service rendered on and after April 13, 1983.

IT IS FURTHER ORDERED that within 30 days from the date of this Order, Kentucky-American shall file with this Commission its revised tariff sheets setting out the rates for water service approved herein.

Done at Frankfort, Kentucky, this 21st day of April, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8571 DATED APRIL 21, 1983**

The following rates and charges are prescribed for the customers in the area served by Kentucky-American Water Company. 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 date of this Order.

SERVICE CLASSIFICATION NO. 1

APPLICABLE

Applicable to all customers in the City of Lexington, Fayette County, Kentucky, and contiguous territory thereto.

AVAILABILITY OF SERVICE

Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other Public Authority Metered Service.

METER RATES

The following shall be the rates for consumption, in addition to the service charges provided for herein:

	<u>1000 Gallons Per Month</u>	<u>Rate Per 1000 Gallons</u>	<u>100 Cubic Feet Per Month</u>	<u>Rate Per 100 Cubic Feet</u>
For the first	12	\$1.106667	16	\$ 0.830
For the next	588	0.868000	784	0.651
For all over	600	0.773333	800	0.580

	<u>1000 Gallons Per Quarter</u>	<u>Rate Per 1000 Gallons</u>	<u>100 Cubic Feet Per Quarter</u>	<u>Rate Per 100 Cubic Feet</u>
For the first	36	\$1.106667	48	\$ 0.830
For the next	1,764	0.868000	2,352	0.651
For all over	1,800	0.773333	2,400	0.580