

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
APPLICATION OF SOUTHERN) CASE NO. 2008-00460
MADISON WATER DISTRICT)

O R D E R

On October 29, 2008, Southern Madison Water District ("Southern Madison") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

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

1. Southern Madison purchases water from Berea Municipal Utilities ("Berea").
2. Berea notified Southern Madison that, effective August 2008, Berea's wholesale water rate to Southern Madison would increase from \$1.95 per 1,000 gallons to \$2.172 per 1,000 gallons. Southern Madison proposes to increase the water rates to its customers effective November 28, 2008.
3. During the 12 months ending July 31, 2008, Southern Madison purchased a total of 312,350,670 gallons of water and sold 282,164,000 gallons. The increase in

¹ KRS 278.015; 807 KAR 5:068.

the cost of purchased water is \$69,342, resulting in a purchased water adjustment of \$0.25 per 1,000 gallons.

4. The purchased water adjustment of \$0.25 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

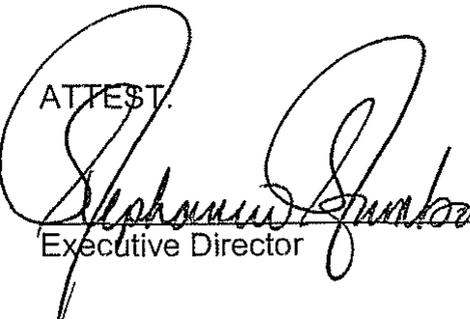
1. The rates proposed by Southern Madison are approved.

2. The purchased water adjustment of \$0.25 per 1,000 gallons as calculated in Appendix A is approved and the rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after November 28, 2008.

3. Within 20 days of the date of this Order, Southern Madison shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 25th day of November, 2008.

By the Commission

ATTEST.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00460 DATED NOVEMBER 25, 2008

| | Base Rate | New Rate |
|---------------------------|----------------------|----------------------|
| Berea Municipal Utilities | | |
| Purchases in gallons | 312,350,670 | 312,350,670 |
| Wholesale Rate | <u>\$ 1.95/1,000</u> | <u>\$2.172/1,000</u> |
| | \$609,084 | \$678,426 |
| Increased water cost | | \$69,342 |

| | |
|-----------------------------------|--------------------------|
| Increased water cost | \$ 69,342 |
| Divided by gallons sold | <u>282,164,000</u> |
| Purchased water adjustment factor | \$0.25 per 1,000 gallons |

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00460 DATED NOVEMBER 25, 2008

The following rates and charges are prescribed for the customers in the area served by Southern Madison Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

| | | | |
|----------|----------------|-----------|-------------------|
| First | 2,000 gallons | \$ 11.926 | Minimum bill |
| Next | 1,000 gallons | 5.873 | per 1,000 gallons |
| Next | 3,000 gallons | 5.463 | per 1,000 gallons |
| Next | 4,000 gallons | 5.003 | per 1,000 gallons |
| Next | 15,000 gallons | 4.123 | per 1,000 gallons |
| Next | 25,000 gallons | 3.823 | per 1,000 gallons |
| All Over | 50,000 gallons | 3.273 | per 1,000 gallons |