

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
ELIHU-RUSH BRANCH WATER ASSOCIATION) CASE NO. 90-411

O R D E R

On December 14, 1990, Elihu-Rush Branch Water Association ("Elihu-Rush") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

1. Elihu-Rush purchases water from Somerset Water Service ("Somerset"). Effective July 1, 1990, Somerset increased its rate for wholesale water from \$1.25 to \$1.55 per 1,000 gallons of water.

2. Elihu-Rush increased the rates to its customers effective December 1, 1990.

3. During the 12 months ending September 30, 1990, Elihu-Rush purchased 67,466,600 gallons of water and sold 48,282,895 gallons.

4. The increase in purchased water costs is \$20,240, resulting in a purchased water adjustment of 42 cents per 1,000 gallons.

5. The tariff sheet and rates proposed by Elihu-Rush are incorrect in that the purchased water adjustment was incorrectly applied to the minimum bill.

6. The purchased water adjustment of 42 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.

7. Elihu-Rush further proposed to change its billing cycle and do a "catch-up" billing to coincide with billing changes made by Somerset. This proposal cannot be considered as a part of the purchased water adjustment procedure and must be addressed through a separate filing with the Commission.

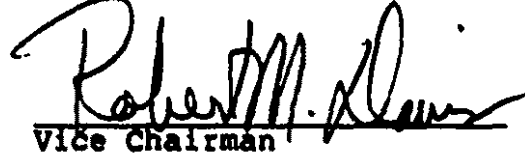
IT IS THEREFORE ORDERED that:

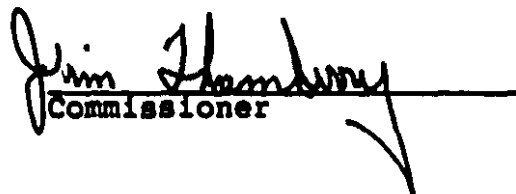
1. The rates proposed by Elihu-Rush are denied.
2. The purchased water adjustment of 42 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after December 1, 1990.
3. The proposed change in the billing cycle is denied without prejudice.
4. Within 30 days of the date of this Order, Elihu-Rush shall file its revised tariff sheet setting out the rates approved herein.

Done at Frankfort, Kentucky, this 4th day of January, 1991.

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. 90-411 DATED 1/04/91**

The following rates and charges are prescribed for the customers in the area served by Elihu-Rush Branch Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission.

<u>GALLONAGE BLOCK</u>	<u>MONTHLY RATES</u>
First 2,000 gallons	\$13.14 minimum bill
Next 3,000 gallons	3.47 per 1,000 gallons
Next 5,000 gallons	2.67 per 1,000 gallons
Over 10,000 gallons	2.32 per 1,000 gallons