

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
ESTILL COUNTY WATER DISTRICT NO. 1) CASE NO. 93-213

O R D E R

On June 7, 1993, Estill County Water District No. 1 ("Estill") filed its revised tariff sheet with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water procedure, KRS 278.015 and KAR 5:068.

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

1. Estill purchases its water from Irvine Municipal Utilities ("Irvine").

2. Irvine increased its rate for water sold to Estill from \$1.16 to \$1.45 per 1,000 gallons effective February 14, 1993. Estill proposed to increase the rates to its customers effective June 15, 1993.

3. During the 12 months ending April 30, 1993, Estill purchased 155,822,200 gallons of water from Irvine and sold 134,320,722 gallons of water during the same 12-month period.

4. The rates proposed by Estill are incorrect and should be denied insofar that they failed to round the purchased water adjustment to the nearest cent.

5. The increase in the cost of purchased water is \$45,118, resulting in a purchased water adjustment of 34 cents per 1,000

gallons, as shown in Appendix B. Based on an average of 5,000 gallons, the average bill of Estill's customers would increase \$1.70 from \$23.00 to \$24.70, or 7.39 percent.

6. The purchased water adjustment of 34 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 Estill are denied.

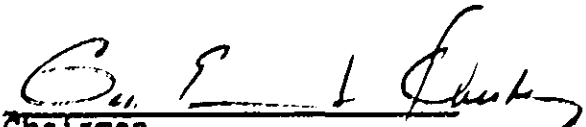
2. The purchased water adjustment of 34 cents per 1,000 gallons of water and the rates in Appendix A, attached hereto and incorporated herein, are approved for service rendered on and after June 15, 1993.

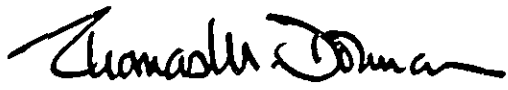
3. Within 30 days of the date of this Order, Estill shall file revised tariffs setting out the rates approved herein.

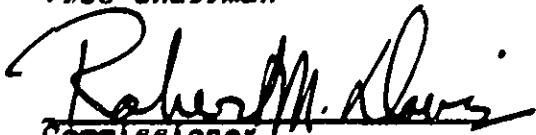
4. Within 30 days of the date of this Order, Estill shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 25th day of June, 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. 93-213 DATED June 25, 1993

The following rates and charges are prescribed for the customers in the area served by Estill County Water District No. 1. 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.

Monthly Rates

First 2,000 gallons	\$10.18 Minimum Bill
Next 3,000 gallons	4.84 per 1,000 gallons
Next 5,000 gallons	4.69 per 1,000 gallons
Over 10,000 gallons	3.19 per 1,000 gallons

Minimum Bills

<u>Meter Size</u>	<u>Gallons</u>	<u>Amount</u>
5/8 inch x 3/4 inch	2,000	\$10.18
1 inch	5,000	24.70
2 inch	16,000	67.29

Bulk Water Sales to Powell County Water District \$1.86
per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-213 DATED June 25, 1993.

Calculations of Purchased Water Adjustment

Gallons Purchased 155,822,200 gallons

Gallons Sold 134,320,722 gallons

Cost at New Rates 155,822.2 m. gals. x \$1.45 = \$225,942

Less

Cost at Old Rates 155,822.2 m. gals. x \$1.16 = \$180,754

Increase \$ 45,188

\$45,188 ÷ 134,320.722 m. gals. sold = \$.3364 or 34 cents per
1,000 gallons.