

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
NORTH MCLEAN COUNTY WATER DISTRICT) CASE NO. 94-322

O R D E R

On August 26, 1994, North McLean County Water District ("North McLean") filed an application with the Public Service Commission ("Commission") to adjust 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. North McLean purchases water from three suppliers: the City of Calhoun ("Calhoun"), the City of Livermore ("Livermore") and West Daviess County Water District ("West Daviess").

2. Effective July 1, 1994, West Daviess increased its rates for wholesale water from \$1.83 per 1,000 gallons to \$1.88 per 1,000 gallons. The 5-year surcharge of 27 cents per 1,000 gallons was not increased but it was used to calculate the increase in purchased water cost. The other two suppliers, Calhoun and Livermore, have not increased their rates at this time.

3. North McLean proposed to increase the rates to its customers effective August 1, 1994.

4. During the 12 months ending July 31, 1994, North McLean purchased 31,877,900 gallons of water from Livermore, 4,273,900 from Calhoun, and 52,177,900 from West Daviess for a total of 88,329,700 gallons and sold a total of 72,690,700 gallons.

5. North McLean's calculations are correct and show an increase in purchased water cost of \$2,609, resulting in a purchased water adjustment of 4 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to North McLean's customers will increase 20 cents, from \$21.40 to \$21.60, an increase of 1 percent.

6. The purchased water adjustment of 4 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. KRS 278.015 provides that a water district may place its rates into effect without approval of the Commission, but shall file revised tariffs with the Commission within 20 days after any such increase in rates. North McLean's application was not filed within 20 days of its proposed increase. North McLean's rates should become effective on August 6, 1994 instead of August 1, 1994 as proposed by the district.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 4 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after August 6, 1994.

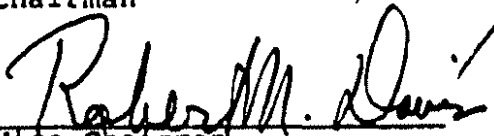
2. North McLean's proposed tariff is approved.

3. Within 30 days of the date of this Order, North McLean shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 9th day of September, 1994.

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. 94-322 DATED September 9, 1994.

The following rates and charges are prescribed for the customers in the area served by North McLean County 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.

MONTHLY RATES

	<u>Rates Per Unit</u>
First 2,000 Gallons	\$ 10.70 Minimum Bill
Next 2,000 Gallons	3.80 Per 1,000 Gallons
Next 2,000 Gallons	3.30 Per 1,000 Gallons
Next 4,000 Gallons	3.00 Per 1,000 Gallons
Next 30,000 Gallons	2.70 Per 1,000 Gallons
Next 60,000 Gallons	2.50 Per 1,000 Gallons
Over 100,000 Gallons	2.30 Per 1,000 Gallons