

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
LEXINGTON-SOUTH ELKHORN WATER) CASE NO. 95-079
DISTRICT)

O R D E R

On March 1, 1995, Lexington-South Elkhorn Water District ("Lexington-South Elkhorn") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting 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. Lexington-South Elkhorn purchases water from Kentucky-American Water Company ("Kentucky-American").
2. Effective January 25, 1995, Kentucky-American increased its rate for wholesale water from \$1.51293 per 1,000 gallons to \$1.58695 per 1,000 gallons. Kentucky-American also increased its service charges based on the size of a customer's meter. Lexington-South Elkhorn is served by three 2-inch meters and one 4-inch meter.
3. Lexington-South Elkhorn proposed to increase the rates to its customers effective February 10, 1995.

4. During the 12 months ending December 8, 1994, Lexington-South Elkhorn purchased 143,025,000 gallons of water and sold 117,813,150 gallons.

5. Lexington-South Elkhorn's calculations are correct and show an increase in purchased water cost of \$10,746.66, resulting in a purchased water adjustment of 9 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to Lexington-South Elkhorn customers would increase 45 cents from \$29.90 to \$30.35, or 2 percent.

6. The purchased water adjustment of 9 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.

IT IS THEREFORE ORDERED that:

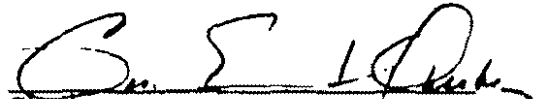
1. The purchased water adjustment of 9 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after February 10, 1995.

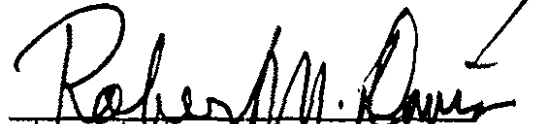
2. Lexington-South Elkhorn's proposed tariff is approved.

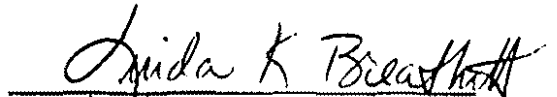
3. Within 30 days of the date of this Order, Lexington-South Elkhorn shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 24th day of March, 1995.

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. 95-079 DATED MARCH 24, 1995.

The following rates and charges are prescribed for the customers in the area served by Lexington-South Elkhorn 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

5/8" & 3/4" Meters

First	2,000 gallons	\$ 17.15	Minimum Bill
Next	2,000 gallons	4.55	per 1,000 gallons
Next	2,000 gallons	4.10	per 1,000 gallons
Next	10,000 gallons	3.85	per 1,000 gallons
Next	8,000 gallons	3.58	per 1,000 gallons
Over	24,000 gallons	3.30	per 1,000 gallons

1" Meters

First	10,000 gallons	\$ 49.85	Minimum Bill
Next	6,000 gallons	3.85	per 1,000 gallons
Next	8,000 gallons	3.58	per 1,000 gallons
Over	24,000 gallons	3.30	per 1,000 gallons

2" Meters

First	24,000 gallons	\$101.59	Minimum Bill
Over	24,000 gallons	3.30	per 1,000 gallons