

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
BEECH GROVE WATER SYSTEM, INC.) CASE NO. 95-150

O R D E R

On April 4, 1995, Beech Grove Water System, Inc. ("Beech Grove") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

1. Beech Grove purchases water from West Daviess County Water District ("West Daviess").

2. Effective August 5, 1994, West Daviess increased its rates for wholesale water from \$1.88 per 1,000 gallons to \$2.15 per 1,000 gallons.

3. Beech Grove did not propose an effective date to increase the rates to its customers; therefore, the rates should be effective on and after the date of this Order.

4. During the 12 months ending December 31, 1994, Beech Grove purchased 28,083,100 gallons of water and sold 25,912,299 gallons.

5. Beech Grove's calculations are incorrect in that its proposed adjustment is based on sales of 2,591,299 instead of purchases in the amount of 28,083,100. The correct sales amount is 25,912,990. Beech Grove, additionally, did not calculate its proposed adjustment on a per 1,000 gallon basis.

6. The correct increase in purchased water costs is \$7,582, resulting in a purchased water adjustment of 29 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the bills of Beech Grove's customers will increase \$1.45 from \$17.05 to \$18.50, an increase of 9 percent.

7. The purchased water adjustment of 29 cents per 1,000 gallons as shown in Appendix B 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 29 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after the effective date of this Order.

2. Within 30 days of the date of this Order, Beech Grove shall file its revised tariff setting out the rates approved herein.

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

Done at Frankfort, Kentucky, this 4th day of May, 1995.

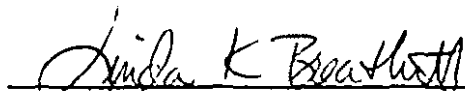
PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman



Commissioner

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-150 DATED MAY 4, 1995.

The following rates and charges are prescribed for the customers in the area served by Beech Grove Water System, Inc. 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	\$9.26	Minimum Bill
Next	4,000 gallons	3.08	per 1,000 gallons
Next	4,000 gallons	2.63	per 1,000 gallons
Next	30,000 gallons	2.38	per 1,000 gallons
Next	60,000 gallons	2.28	per 1,000 gallons
Over	100,000 gallons	2.18	per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-150 DATED MAY 4, 1995.

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 28,083,100 gallons
Water Sold: 25,912,990 gallons

Cost at Changed Rate:

28,083,100 x \$2.15 = \$60,378.66

LESS

Cost at Base Rate:

25,912,990 x \$1.88 = \$52,796.22

Increase in Cost: \$ 7,582.44

\$7,582.44 + 25,912,990 gallons sold = \$0.29/1,000 gallons