

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
JESSAMINE COUNTY WATER DISTRICT)	CASE NO. 95-218
NO. 1)	

O R D E R

On May 10, 1995, Jessamine County Water District No. 1 ("Jessamine") 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. Jessamine purchases water from the city of Nicholasville ("Nicholasville").
2. Nicholasville increased its rates for water sold from \$1.49 per 1,000 gallons to \$1.81 per 1,000 gallons. Also, Nicholasville increased its monthly service charge from \$3.75 to \$31.80. Nicholasville's increased rates became effective May 10, 1995. Jessamine proposes to increase the water rates to its customers effective May 15, 1995.
3. During the 12 months ending March 31, 1995, Jessamine purchased 92,222,830 gallons of water and sold 82,223,190 gallons. The increase in the cost of purchased water is \$29,847.90, resulting in a purchased water adjustment of .36 cents per 1,000

gallons of water as shown in Appendix B. Based on the average monthly usage of 5,000 gallons, the average bill of Jessamine's customers would increase \$1.80 from \$19.85 to \$21.65 or 9 percent.

4. Jessamine has miscalculated the purchased water adjustment factor; therefore, the purchased water adjustment factor and the rates proposed by Jessamine should be denied.

5. The purchased water adjustment of 36 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 rates proposed by Jessamine are hereby denied.


2. The purchased water adjustment of 36 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after May 15, 1995.

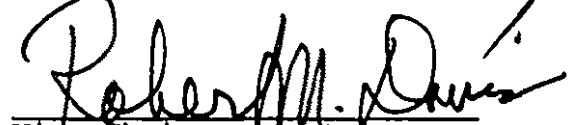
3. Within 30 days of the date of this Order, Jessamine shall file revised tariff sheets setting out the rates approved herein.

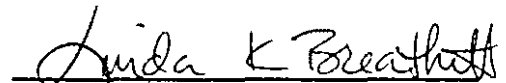
4. Within 30 days of the date of this Order, Jessamine shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 5th day of June, 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. 95-218 DATED June 5, 1995.

The following rates and charges are prescribed for the customers in the area served by Jessamine 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 3,000 gallons	\$15.33
Next 7,000 gallons	3.16 per 1,000 gallons
Over 10,000 gallons	2.86 per 1,000 gallons

Minimum Bills:

5/8" x 3/4" Meter	
3,000 gallon minimum usage	\$15.33
1" Meter	
5,000 gallon minimum usage	21.65
1-1/2" Meter	
10,000 gallon minimum usage	37.45

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-218 DATED June 5, 1995.

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased:	92,222,830 gallons
Water Sold:	82,223,190 gallons

Cost at Changed Rate:

92,222,830 x \$1.81	= \$166,923.32
Service Charge (\$31.80 x 12)	= + 381.60
	<u>\$167,304.92</u>

LESS

Cost at Base Rate:

92,222,830 x \$1.49	= \$137,412.02
Service Charge (\$3.75 x 12)	= + 45.00
	<u>\$137,457.02</u>

Increase in Cost:	\$29,847.90
-------------------	-------------

\$29,847.90 + 82,223,190 gallons sold =	.00036 cents or \$0.36/1,000 gallons
---	---