

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
LAUREL COUNTY WATER DISTRICT NO. 2) CASE NO. 95-454

O R D E R

On October 12, 1995, Laurel County Water District No. 2 ("Laurel No. 2") 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. Laurel No. 2 purchases approximately 37 percent of its water from the city of London ("London") and produces approximately 63 percent of its water.

2. Effective September 30, 1995, London increased its rates to \$1.35 per 1,000 gallons. Laurel No. 2's current base rate is \$0.80 per 1,000 gallons. Laurel No. 2 proposed to increase its rates to its customers effective October 10, 1995.

3. During the 12 months ending September 30, 1995, Laurel No. 2 purchased 109,236,800 gallons of water from London. Laurel No. 2 sold a total of 294,353,900 gallons during the same period.

4. Laurel No. 2's calculations are correct and show an increase in purchased water cost of \$60,080, resulting in a purchased water adjustment of \$0.20 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Laurel No. 2's customers will increase \$1.00 from \$14.30 to \$15.30 an increase of 6.99 percent.

5. The purchased water adjustment of \$0.20 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

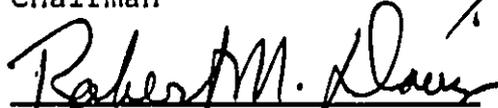
IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$1.00 per 1,000 gallons and the rates in Appendix A are approved for service rendered on and after October 10, 1995.
2. Laurel No. 2's proposed tariff is approved.
3. Within 30 days of the date of this Order, Laurel No. 2 shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 30th day of October, 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. 95-454 DATED OCTOBER 30, 1995

The following rates and charges are prescribed for the customers in the area served by Laurel County Water District No. 2. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Minimum Monthly Water Rates Based on Connection Size

<u>Connection Size</u>	<u>Usage Allowance</u>	<u>Minimum Bill</u>
5/8 x 3/4 inch	1,000 gallons	\$ 5.70
1 inch	5,000 gallons	15.30
1 1/2 inch	10,000 gallons	26.05
2 inch	20,000 gallons	45.55
3 inch	30,000 gallons	65.05
4 inch	50,000 gallons	104.05
6 inch	100,000 gallons	201.55

Usage Rates in Addition to Minimum Charge

Subject to the minimum monthly water rates specified above, the following metered charges shall be made for each 1,000 gallons in excess of the minimum usage allowance.

First 1,000 gallons	\$5.70 Minimum
Next 4,000 gallons	2.40 per 1,000 gallons
Next 5,000 gallons	2.15 per 1,000 gallons
Over 10,000 gallons	1.95 per 1,000 gallons