

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF MILBURN WATER DISTRICT) CASE NO. 96-107

O R D E R

On March 19, 1996, Milburn Water District ("Milburn") 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. Milburn purchases its water from the Fancy Farm Water District ("Fancy Farm").

2. Effective November 9, 1995, Fancy Farm increased its rates for wholesale water from \$1.00 per 1,000 gallons to \$1.53 per 1,000 gallons.

3. During the 12 months ending February 29, 1996, Milburn purchased 10,492,400 gallons of water and sold 8,084,980 gallons.

4. Milburn's calculations are correct and show an increase in purchased water cost of \$5,560.97, resulting in a purchased water adjustment of 69 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of

Milburn's customers would increase \$3.45, from \$21.85 to \$25.30, or 15.8 percent.

5. The purchased water adjustment of 69 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 69 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after the date of this Order.


2. Within 30 days from the date of this Order, Milburn shall file a revised tariff sheet setting out the rates approved herein.

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

Done at Frankfort, Kentucky, this 16th day of April, 1996.

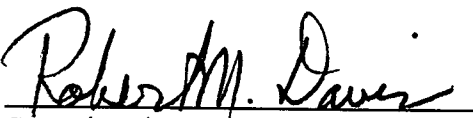
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 96-107 DATED APRIL 16, 1996

The following rates and charges are prescribed for the customers in the area served by Milburn Water District. 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.

Monthly Rate

First 2,000 gallons	\$10.63 Minimum Bill
Next 3,000 gallons	4.89 per 1,000 gallons
Next 5,000 gallons	4.04 per 1,000 gallons
Next 10,000 gallons	3.19 per 1,000 gallons
Over 20,000 gallons	2.69 per 1,000 gallons