

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF MUHLENBERG COUNTY WATER) CASE NO. 96-475
DISTRICT)

O R D E R

On September 26, 1996, Muhlenberg County Water District ("Muhlenberg County") 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. Muhlenberg County purchases water from the City of Central City ("Central City").
2. Effective September 12, 1996, Central City increased its rates for wholesale water from \$1.0094 per 1,000 gallons to \$1.15 per 1,000 gallons.
3. Muhlenberg County proposed to increase the rates to its customers effective September 9, 1996.
4. During the 12 months ending September 30, 1996, Muhlenberg County purchased 489,612,100 gallons of water from Central City. During that same period of time, Muhlenberg County sold 494,214,453 gallons of water.

5. Muhlenberg County's purchased water adjustment calculations show an increase in purchased water cost of \$68,839.47, resulting in a purchased water adjustment of 14 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to Muhlenberg County customers will increase 70 cents, from \$24.70 to \$25.40, an increase of 2.8 percent.

6. The purchased water adjustment of 14 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.

7. Muhlenberg County's proposed tariff is correct and should be approved.

IT IS THEREFORE ORDERED that:

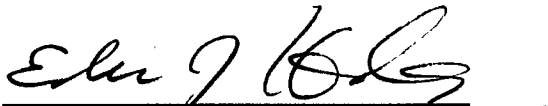
1. The purchased water adjustment of 14 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after September 12, 1996.

2. Muhlenberg County's proposed tariff is approved.

Done at Frankfort, Kentucky, this 25th day of October, 1996.

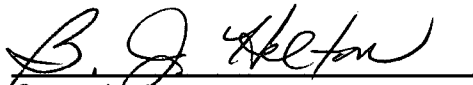
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-475 DATED OCTOBER 25, 1996.

The following rates and charges are prescribed for the customers in the area served by Muhlenberg County 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 x 3/4 Inch Connection

| | | | | |
|----------|--------|---------|---------|-------------------|
| First | 2,000 | Gallons | \$10.70 | Minimum Bill |
| Next | 8,000 | Gallons | 4.90 | Per 1,000 Gallons |
| Next | 10,000 | Gallons | 4.30 | Per 1,000 Gallons |
| Next | 30,000 | Gallons | 3.65 | Per 1,000 Gallons |
| All Over | 50,000 | Gallons | 2.75 | Per 1,000 Gallons |

1 Inch Connection

| | | | | |
|----------|--------|---------|---------|-------------------|
| First | 5,000 | Gallons | \$25.40 | Minimum Bill |
| Next | 5,000 | Gallons | 4.90 | Per 1,000 Gallons |
| Next | 10,000 | Gallons | 4.30 | Per 1,000 Gallons |
| Next | 30,000 | Gallons | 3.65 | Per 1,000 Gallons |
| All Over | 50,000 | Gallons | 2.75 | Per 1,000 Gallons |

1-1/2 Inch Connection

| | | | | |
|----------|--------|---------|---------|-------------------|
| First | 11,000 | Gallons | \$54.21 | Minimum Bill |
| Next | 9,000 | Gallons | 4.90 | Per 1,000 Gallons |
| Next | 30,000 | Gallons | 3.65 | Per 1,000 Gallons |
| All Over | 50,000 | Gallons | 2.75 | Per 1,000 Gallons |

2 Inch Connection

| | | | | |
|----------|--------|---------|---------|-------------------|
| First | 16,000 | Gallons | \$75.71 | Minimum Bill |
| Next | 4,000 | Gallons | 4.90 | Per 1,000 Gallons |
| Next | 30,000 | Gallons | 3.65 | Per 1,000 Gallons |
| All Over | 50,000 | Gallons | 2.75 | Per 1,000 Gallons |

3 Inch Connection

| | | | | |
|----------|--------|---------|----------|-------------------|
| First | 26,000 | Gallons | \$114.82 | Minimum Bill |
| Next | 24,000 | Gallons | 3.65 | Per 1,000 Gallons |
| All Over | 50,000 | Gallons | 2.75 | Per 1,000 Gallons |

4 Inch Connection

| | | | | |
|----------|--------|---------|----------|-------------------|
| First | 36,000 | Gallons | \$151.30 | Minimum Bill |
| Next | 14,000 | Gallons | 3.65 | Per 1,000 Gallons |
| All Over | 14,000 | Gallons | 2.75 | Per 1,000 Gallons |

Wholesale Customer

| | | | | |
|------------|--|--|---------|-------------------|
| Drakesboro | | | \$ 2.10 | Per 1,000 Gallons |
|------------|--|--|---------|-------------------|