

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
ELKHORN WATER DISTRICT) CASE NO. 97-361

O R D E R

On August 14, 1997, Elkhorn Water District ("Elkhorn") 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. Elkhorn purchases water from Frankfort Water Plant Board ("Frankfort").
2. Elkhorn proposed to increase its rate from \$1.13 to \$1.30 per 1,000 gallons effective July 11, 1997, in accordance with Frankfort's November 12, 1996 filing with the Commission.
3. On August 11, 1997, the Commission issued an Order approving a rate of \$1.25 per 1,000 gallons for water sold by Frankfort to Elkhorn to be effective on and after the date of its order.
4. During the 12 months ending May, 1997, Elkhorn purchased 77,837,300 gallons of water and sold 68,690,300 gallons.

5. The increase in the cost of purchased water is \$9,340.48, resulting in a purchased water adjustment of 14 cents per 1,000 gallons of water as shown in Appendix B. Based on an average monthly usage of 5,000 gallons, the average bill of Elkhorn's customers would increase \$0.70, from \$20.36 to \$21.06, or 3.4 percent.

6. Elkhorn's proposed rates are incorrect and should be denied. The calculations showing the correct adjustment are set out in Appendix B.

7. 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.

IT IS THEREFORE ORDERED that:

1. Elkhorn's proposed effective date and tariff are hereby denied.
2. As set forth in the settlement agreement in Case 96-595, the effective date for the purchased water adjustment shall be August 11, 1997.
3. The purchased water adjustment of 14 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after August 11, 1997.
4. Within 30 days of the date of this Order, Elkhorn shall file revised tariff sheets setting out the rates approved herein.
5. Within 20 days of the date of this Order, Elkhorn shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 15th day of September, 1997.

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. 97-361 DATED SEPTEMBER 15, 1997

The following rates and charges are prescribed for the customers in the area served by Elkhorn 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

General Service

First	2,000	gallons per month	\$ 10.02 per 1,000 gallons
Next	3,000	gallons per month	3.68 per 1,000 gallons
Next	5,000	gallons per month	3.21 per 1,000 gallons
All over	10,000	gallons per month	2.21 per 1,000 gallons

General Service Meters

5/8	inch	2,000	gallons	\$ 10.02 per 1,000 gallons
1	inch	5,000	gallons	21.06 per 1,000 gallons
1-1/2	inch	10,000	gallons	37.11 per 1,000 gallons
2	inch	16,000	gallons	50.37 per 1,000 gallons

Mobile Home Parks

McConnell	15,000	gallons	\$ 75.15 per 1,000 gallons
Elkhorn	76,000	gallons	380.76 per 1,000 gallons
Capital	125,000	gallons	626.25 per 1,000 gallons

Stamping Ground

2.11 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 97-361 DATED SEPTEMBER 15, 1997

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 77,837,300 gallons
Water Sold: 68,690,300 gallons

Cost at Changed Rate:

77,837,300 x \$1.25 = \$97,296.63

Less

Cost at Base Rate:

77,837,300 x \$1.13 = \$87,956.15

Increase in Cost: \$ 9,340.48

\$9,340.48 divided by 68,690,300 gallons sold = \$ 0.14/1,000 gallons