COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)CASE NO.OF SOUTH ANDERSON WATER)2005-00234DISTRICT))

<u>ORDER</u>

On June 20, 2005, South Anderson Water District ("South Anderson") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. South Anderson purchases water from the city of Lawrenceburg ("Lawrenceburg") and the Frankfort Plant Board ("Frankfort").

2. Frankfort notified South Anderson that effective with consumption used after March 19, 2005, Frankfort's wholesale water rate would increase from \$1.418 per 1,000 gallons to \$1.539 per 1,000 gallons.

3. During the 12 months ending May 31, 2005, South Anderson purchased 27,139,900 gallons of water from Frankfort and sold 122,240,530 gallons. The increase in the cost of purchased water is \$3,283.93, resulting in a purchased water adjustment of \$0.03 per 1,000 gallons.

4. The purchased water adjustment of \$0.03 per 1,000 gallons is fair, just, and reasonable and should be approved.

5. South Anderson misapplied the purchased water adjustment in its proposed rate schedule.

IT IS THEREFORE ORDERED that:

1. The rates proposed by South Anderson are denied.

2 The purchased water adjustment of \$0.03 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after August 1, 2005.

3. Within 20 days of the date of this Order, South Anderson shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 13th day of July, 2005.

By the Commission

ATTEST:

Executive Director

Case No. 2005-00234

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00234 DATED July 13, 2005

The following rates and charges are prescribed for the customers in the area served by South Anderson 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 Water Rates

First2,000 gallonsNext1,000 gallonsNext2,000 gallonsNext2,000 gallonsNext3,000 gallonsOver10,000 gallons

\$14.64 Minimum Bill 7.17 per 1,000 gallons 6.22 per 1,000 gallons 5.32 per 1,000 gallons 4.37 per 1,000 gallons 4.07 per 1,000 gallons