

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF)	CASE NO.
ESTILL COUNTY WATER DISTRICT NO. 1)	2010-00425

O R D E R

On November 1, 2010, Estill County Water District No. 1 ("Estill County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

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

1. Estill County purchases water from Irvine Municipal Utilities ("Irvine").
2. Irvine notified Estill County that, effective on November 1, 2010, its wholesale water rate to Estill County would increase from \$2.164 per 1,000 gallons to \$2.222 per 1,000 gallons.
3. During the 12 months ending September 30, 2010, Estill County purchased a total of 255,335,679 gallons of water and sold 188,037,670 gallons. The increase in the cost of purchased water is \$14,809.47, resulting in a purchased water adjustment of \$0.08 per 1,000 gallons.
4. Estill County incorrectly applied the purchased water adjustment factor to its current rates.
5. The rates proposed by Estill County should be denied.

¹ KRS 278.015; 807 KAR 5:068.

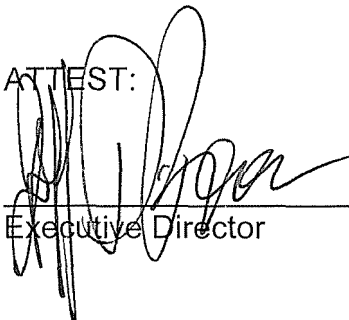
6. The purchased water adjustment of \$0.08 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Estill County are denied.
2. The purchased water adjustment of \$0.08 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on or after November 1, 2010.
4. Within 20 days of the date of this Order, Estill County shall file revised tariff sheets with the Commission showing the rates approved herein and reflecting that they were approved by this Order.

By the Commission

ENTERED *ew*
NOV 23 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00425 DATED **NOV 23 2010**

	New Rate	Base Rate	
Estill County Water			
Purchases in gallons	255,335,679	255,335,679	
Volumetric rate	<u>\$2.222/1,000</u>	<u>\$2.164/1,000</u>	
	\$567,355.88	\$552,546.41	
	Increased water cost		\$14,809.47
Increased water cost		\$ 14,809.47	
Divided by gallons sold		<u>188,037,670</u>	
Purchased water adjustment factor		\$0.08 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00425 DATED **NOV 23 2010**

The following rates and charges are prescribed for the customers in the area served by Estill County Water District No. 1. 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

5/8" x 3/4" Meter

First 2,000 Gallons	\$14.18 Minimum Bill
Next 3,000 Gallons	6.80 Per 1,000 Gallons
Next 5,000 Gallons	6.63 Per 1,000 Gallons
Over 10,000 Gallons	4.91 Per 1,000 Gallons

1" Meter

First 5,000 Gallons	\$34.60 Minimum Bill
Next 5,000 Gallons	6.63 Per 1,000 Gallons
Over 10,000 Gallons	4.91 Per 1,000 Gallons

2" Meter

First 16,000 Gallons	\$97.20 Minimum Bill
Over 16,000 Gallons	4.91 Per 1,000 Gallons

Bulk Loading Station	\$5.45 Per 1,000 Gallons
----------------------	--------------------------

Bulk Meter Sales to Powell's Valley Water District	\$3.01 Per 1,000 Gallons
--	--------------------------

Audrea Miller
Office Manager
Estill County Water District #1
76 Cedar Grove Road
Irvine, KY 40336