



Ernie Fletcher
Governor

Mark David Goss
Chairman

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Teresa J. Hill
Vice Chairman

Christopher L. Lilly
Commissioner
Department of Public Protection

Gregory Coker
Commissioner

April 24, 2006

Brenda Murphy
Secretary/treasurer
Levee Road Water Association, Inc.
4681 Levee Road
Mt. Sterling, KY 40353

CERTIFICATE OF SERVICE

RE: Case No. 2006-00088
Levee Road Water Association, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on April 24, 2006.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
OF LEVEE ROAD WATER)	2006-00088
ASSOCIATION)	

O R D E R

On February 27, 2006, Levee Road Water Association ("Levee Road") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068. Levee Road was notified on March 7, 2006 that the filing was deficient. On March 24, 2006, Levee Road filed information that cured the deficiencies and the application was considered filed.

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

1. Levee Road purchases water from Mt. Sterling Water & Sewer System ("Mt. Sterling").
2. Mt. Sterling notified Levee Road that, effective October 1, 2005, Mt. Sterling's wholesale water rate to Levee Road would increase from \$1.73 per 1,000 gallons to \$1.88 per 1,000 gallons
3. During the 12 months ending December 31, 2005, Levee Road purchased 50,586,421 gallons of water from Mt. Sterling and sold 42,745,580 gallons. The increase in the cost of purchased water is \$7,588, resulting in a purchased water adjustment of \$0.18 per 1,000 gallons.

4. The purchased water adjustment of \$0.18 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.18 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 April 23, 2006.

2. Levee Road's proposed March 1, 2006 effective date is denied.

3. Within 20 days of the date of this Order, Levee Road shall file with the Commission revised tariff sheets showing an effective date of April 23, 2006 and the rates approved herein.

Done at Frankfort, Kentucky, this 24th day of April, 2006.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00088 DATED April 24, 2006.

The following rates and charges are prescribed for the customers in the area served by Levee Road Water Association. 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

First	1,000 Gallons	\$10.55 Minimum Bill
Next	2,000 Gallons	4.15 Per 1,000 Gallons
Next	3,000 Gallons	3.45 Per 1,000 Gallons
Next	19,000 Gallons	2.70 Per 1,000 Gallons
Next	25,000 Gallons	2.35 Per 1,000 Gallons
Over	50,000 Gallons	2.05 Per 1,000 Gallons
Commercial Hauler		4.43 Per 1,000 Gallons
Water Drop Coin Vendor		4.93 Per 1,000 Gallons