

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY WATER)
DISTRICT FOR A PURCHASED WATER) CASE NO. 2006-00200
ADJUSTMENT)

O R D E R

On May 17, 2006, Big Sandy Water District ("Big Sandy Water") 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. Big Sandy Water purchases water from the city of Kenova ("Kenova") and the city of Louisa ("Louisa").
2. Louisa notified Big Sandy Water that, effective June 1, 2006, Louisa's wholesale water rate to Big Sandy Water would increase from \$1.85 per 1,000 gallons to \$2.10 per 1,000 gallons.
3. During the 12 months ending March 31, 2006, Big Sandy Water purchased 271,150,040 from Kenova and 73,602,122 gallons from Louisa and sold 245,653,500. The increase in the cost of purchased water is \$18,400, resulting in a purchased water adjustment factor of \$0.07 per 1,000 gallons.
4. The purchased water adjustment of \$0.07 per 1,000 gallons is fair, just, and reasonable and should be approved.

5. Big Sandy Water miscalculated its proposed rates and these rates should be denied.

IT IS THEREFORE ORDERED that:

1. Big Sandy Water's proposed rates are denied.
2. The purchased water adjustment of \$0.07 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for water service rendered on and after June 1, 2006.
3. Within 20 days of the date of this Order, Big Sandy Water shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 8th day of June, 2006.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2006-00200 DATED June 8, 2006.

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

5/8 x 3/4 Inch Meter

First	2,000	gallons	\$ 15.46	Minimum bill
Next	8,000	gallons	5.83	per 1,000 gallons
Next	20,000	gallons	4.70	per 1,000 gallons
Next	20,000	gallons	3.94	per 1,000 gallons
Over	50,000	gallons	3.18	per 1,000 gallons

1" Meter

First	10,000	gallons	\$62.10	Minimum bill
Next	20,000	gallons	4.70	per 1,000 gallons
Next	20,000	gallons	3.94	per 1,000 gallons
Over	50,000	gallons	3.18	per 1,000 gallons

1 1/2" Meter

First	30,000	gallons	\$156.10	Minimum bill
Next	20,000	gallons	3.94	per 1,000 gallons
Over	50,000	gallons	3.18	per 1,000 gallons

2" Meter

First	50,000	gallons	\$234.50	Minimum bill
Over	50,000	gallons	3.18	per 1,000 gallons

3" Meter

First	100,000	gallons	\$ 393.00	Minimum bill
Over	100,000	gallons	3.18	per 1,000 gallons

4" Meter

First	200,000	gallons	\$ 711.90	Minimum bill
Over	200,000	gallons	3.18	per 1,000 gallons