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PUBLIC SERVICE  
COMMISSION

**PURCHASED WATER ADJUSTMENT FOR  
WATER DISTRICTS AND ASSOCIATIONS  
(807 KAR 5:068)**

<b>Name of Utility</b>	Estill County Water District No. 1	
<b>Date</b>	October 29, 2010	
<b>Address</b>	76 Cedar Grove Road	
<b>City, State, Zip</b>	Irvine	KY 40336
<b>Telephone Number</b>	606-723-3795	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

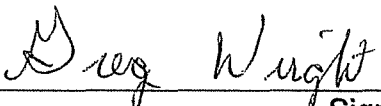
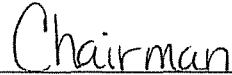
Supplier(s)	Base Rate	Changed Rate
Irvine Municipal Utilities	\$2.164	\$2.222

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit 1 along with the PSC order approving the rate.

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

<b>From</b>	October 2009	<b>through</b>	September 2010
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

Supplier(s)	Gallons Purchased during 12 month period
Irvine Municipal Utilities	255,335,679
<b>TOTAL PURCHASES</b>	255,335,679
4. Total sales for the 12 month period	188,037,670
5. Increased water cost	\$14,809.47
The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.	
6. Purchased water adjustment factor	\$0.08
The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold.	
<p>Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.</p>	
7. Proposed effective date	11-1-10
	
Signature of Utility Officer	
	
Title	

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE )  
WHOLESALE WATER SERVICE RATES OF ) CASE NO. 2010-00148  
IRVINE MUNICIPAL UTILITIES )

ORDER

On February 22, 2010, Irvine Municipal Utilities ("Irvine") filed a rate schedule with the Commission in which it proposed to increase its wholesale water service rate to Estill County Water District No. 1 ("Estill District") from \$2.164 per 1,000 gallons to \$2.222 per 1,000 gallons, or approximately 2.7 percent, effective April 16, 2010. Upon receipt of a request from Estill District to examine the proposed rate adjustment, the Commission suspended the proposed rate and initiated this proceeding. On July 14, 2010, Estill District advised the Commission in writing that it no longer objected to the proposed adjustment and requested leave to withdraw from this proceeding. We will treat this request as a motion for leave to withdraw.

Having considered Estill District's motion to withdraw and being otherwise sufficiently advised, the Commission finds that the motion should be granted and that Irvine's proposed rate should be allowed to become effective. The purpose of the Commission's jurisdiction over a municipal utility's wholesale transactions with a public utility is to ensure that any public utility "consumer/customer that has contracted and

become dependent for its supply of water from a city utility is not subject to either excessive rates or inadequate service.”<sup>1</sup>

In the case at bar, this purpose has been served. The affected public utility made clear its objections to the proposed rate adjustment. Addressing the concerns of its wholesale customer, Irvine has convinced that customer of the reasonableness of the proposed rate adjustment. Estill District has withdrawn its objection to the proposed rate adjustment and requested leave to withdraw from this proceeding.

As the proposed rates on their face appear neither unreasonable nor unconscionable, the Commission sees no need to conduct further proceedings in this matter.<sup>2</sup>

IT IS THEREFORE ORDERED that:

1. Estill District’s motion for leave to withdraw from this proceeding is granted.
2. Irvine’s proposed wholesale water service rate of \$2.222 per 1,000 gallons is approved for service rendered on and after the date of this Order.
3. Irvine’s separate fee of \$0.12 per 1,000 gallons to recover costs related to the Kentucky River Authority’s assessment shall continue in effect.
4. Within 20 days of the date of this Order, Irvine shall file a revised tariff sheet that reflects the authorized rate adjustment.

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<sup>1</sup> *Simpson County Water District v. City of Franklin, Ky.*, 872 S.W.2d 460, 465 (Ky. 1994).

<sup>2</sup> To the extent that KRS 278.200 requires a hearing in this matter, Estill District’s withdrawal constitutes a waiver of any right to such hearing.

FOR Estill County, Kentucky  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Estill County Water District No. 1  
(Name of Utility)

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RATES AND CHARGES

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A. MONTHLY RATES:

5/8" x 3/4" Meter

First 2,000 Gallons	\$14.10 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 Inch Meter

First 5,000 Gallons	\$34.28 Minimum Bill
Next 5,000 Gallons	6.63 Per 1,000 Gallons
Over 10,000 Gallons	4.91 Per 1,000 Gallons

2 Inch Meter

First 16,000 Gallons	\$96.00 Minimum Bill
Over 16,000 Gallons	4.91 Per 1,000 Gallons

Cobhill Surcharge \$4.81 Per Month

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DATE OF ISSUE 10-29-10  
Month / Date / Year

DATE EFFECTIVE 11-1-10  
Month / Date / Year

ISSUED BY Greg Wright  
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

## NOTICE

Irvine Municipal Utilities has filed a proposed rate schedule which will increase, by 2.7 percent, the rate(s) which it currently charges to Estill County Water and Sewer District for water service. Irvine Municipal Utilities currently charges Estill County Water and Sewer District \$2.164 per 1,000 gallons of water service. It proposes to charge Estill County Water and Sewer District \$2.222 per 1,000 gallons for water service effective April 16, 2010. The rates listed exclude the \$0.12 Kentucky River Authority Assessment per 1,000 gallons sold.

The rates contained in this notice are the rates proposed by Irvine Municipal Utilities. The Public Service Commission, however, may order rates to be charged that differ from the proposed rates contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes to intervene. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Public Service Commission may obtain copies of the rate application and any other filings made by Irvine Municipal Utilities by contacting Mr. B. F. Williams II, 238 Broadway, Irvine, Kentucky 40336; telephone (606) 723-2197.

Any person may examine Irvine Municipal Utilities' rate application and any other filings at its main office at 238 Broadway or at the Public Service Commission's Offices at 211 Sower Blvd., Frankfort, Kentucky 40601.