

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
OF BRACKEN COUNTY WATER)	2006-00036
DISTRICT)	

O R D E R

On January 23, 2006, Bracken County Water District ("Bracken County") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068. On February 8, 2006, Bracken County amended its application to revise its bulk rate to \$6.25 per 1,000 gallons. Bracken County stated this revision is necessary as its bulk sales are made through a coin-operated machine that accepts only quarters.

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

1. Bracken County purchases water from the Augusta Regional Water Treatment Plant ("Augusta").
2. Augusta notified Bracken County that, effective February 5, 2006, Augusta's wholesale water rate to Bracken County would increase from \$1.19 per 1,000 gallons to \$1.29 per 1,000 gallons.
3. On January 11, 2006, Augusta notified the Commission that, effective for February 5, 2006, its wholesale water service rate to Bracken County would increase from \$1.19 to \$1.29 per 1,000 gallons. Pursuant to KRS 278.180 and 278.190, this proposed rate will become effective on February 10, 2006.

4. During the 12 months ending December 31, 2005, Bracken County purchased 189,929,200 gallons of water from Augusta and sold 167,174,185 gallons. The increase in the cost of purchased water is \$18,993, resulting in a purchased water adjustment of \$0.11 per 1,000 gallons.

5. The purchased water adjustment of \$0.11 per 1,000 gallons is fair, just, and reasonable and should be approved.

6. Bracken County's bulk sales rate should be \$6.25 per 1,000 gallons in order for the district to fully recover the increased cost of purchased water.

IT IS THEREFORE ORDERED that:

1. Bracken County's proposed February 5, 2006 effective date is denied.

2. The purchased water adjustment of \$0.11 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 February 10, 2006.

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

Done at Frankfort, Kentucky, this 17th day of February, 2006.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00036 DATED February 17, 2006.

The following rates and charges are prescribed for the customers in the area served by Bracken County 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

First 2,000 gallons	\$11.16 Minimum Bill
Over 2,000 gallons	5.07 per 1,000 gallons
Wholesale Division I (Applicable to Brooksville)	\$2.34 per 1,000 gallons
Bulk Sales: Loading Station Division I	6.25 per 1,000 gallons