

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
LEXINGTON-SOUTH ELKHORN WATER) CASE NO. 9579
DISTRICT)

O R D E R

On March 13, 1986, Lexington-South Elkhorn Water District ("Lexington-South Elkhorn") filed its application with the Public Service Commission ("Commission") requesting authority to adjust its rates in accordance with 807 KAR 5:067, Purchased Water Adjustment Clause.

The Commission having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. Lexington-South Elkhorn's supplier, Kentucky-American Water Company ("Kentucky-American"), bills its customers on a declining block rate schedule. Effective September 19, 1985, Kentucky-American increased its rates for wholesale water by approximately \$.04 per 1,000 gallons.

2. The statements of water purchased and sold during the 12-month period ending April 4, 1986, filed by Lexington-South Elkhorn show that its unaccounted-for water loss is approximately 11 percent, which is less than the maximum of 15 percent allowed by the Commission.

3. The calculations for the purchased water adjustment made by Lexington-South Elkhorn are correct and show the total

allowable increase in purchased water costs is \$3,596, resulting in a purchased water adjustment of \$.05 per 1,000 gallons.

4. The financial exhibits filed by Lexington-South Elkhorn indicate that it cannot absorb any of the increase in purchased water costs.

5. The purchased water adjustment in the amount of \$.05 per 1,000 gallons and the rates in Appendix A are fair, just and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment in the amount of \$.05 per 1,000 gallons and the rates in Appendix A be and they hereby are approved effective for services rendered on and after the date of this Order.

2. For the future application of the purchased water adjustment clause of Lexington-South Elkhorn, the base rate for purchased water shall be:

<u>Supplier</u>	Kentucky-American Water Company			
<u>Rates</u>				
	1000 Gallons <u>Per Month</u>	Rate Per 1000 Gallons	100 Cubic Feet Per <u>Month</u>	Rate Per 100 Cubic Feet
For the first	12	\$1.22666	16	\$.920
For the next	588	.96266	784	.722
For all over	600	.86533	800	.649
	1000 Gallons <u>Per Quarter</u>	Rate Per 1000 Gallons	100 Cubic Feet Per <u>Quarter</u>	Rate Per 100 Cubic Feet
For the first	36	\$1.22666	48	\$.920
For the next	1,764	.96266	2,352	.722
For all over	1,800	.86533	2,400	.649

SERVICE CHARGES


All metered general water service customers shall pay a service charge based on the size of meter installed. The service charge will not entitle the customer to any water.

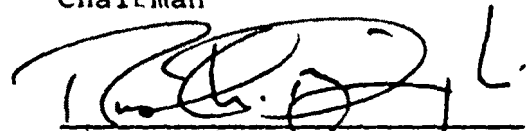
<u>Size of Meter</u>	<u>Service Charge</u>	
	<u>Per Month</u>	<u>Per Quarter</u>
5/8-inch	\$ 4.21	\$ 12.63
3/4-inch	6.32	18.96
1-inch	10.53	31.59
1 1/2-inch	21.05	63.15
2-inch	33.68	101.04
3-inch	63.15	189.45
4-inch	105.25	315.75
6-inch	210.50	631.50
8-inch	336.80	1,010.40

3. Within 30 days of the date of this Order, Lexington-South Elkhorn shall file its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 26th day of June, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9579 DATED JUNE 26, 1986

The following rates and charges are prescribed for customers receiving water service from Lexington-South Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

5/8-inch X 3/4-inch Meters

<u>Usage Blocks</u>	<u>Monthly Rates</u>
First 2,000 gallons	\$10.05 Minimum
Next 2,000 gallons	2.65 per 1,000 gallons
Next 2,000 gallons	2.05 per 1,000 gallons
Next 10,000 gallons	1.75 per 1,000 gallons
Next 8,000 gallons	1.55 per 1,000 gallons
Over 24,000 gallons	1.30 per 1,000 gallons

1-inch Meters

<u>Usage Blocks</u>	<u>Monthly Rates</u>
First 10,000 gallons	\$26.45 Minimum
Next 6,000 gallons	1.75 per 1,000 gallons
Next 8,000 gallons	1.55 per 1,000 gallons
Over 24,000 gallons	1.30 per 1,000 gallons

2-inch Meters

<u>Usage Blocks</u>	<u>Monthly Rates</u>
First 24,000 gallons	\$49.35 Minimum
Over 24,000 gallons	1.30 per 1,000 gallons