

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
NORTH NELSON WATER DISTRICT) CASE NO. 9726

O R D E R

On November 1, 1986, North Nelson Water District ("North Nelson") filed its revised tariff sheet with the Public Service Commission ("Commission") setting forth its rates as adjusted pursuant to KRS 278.015 and 807 KAR 5:068, which it proposed to place into effect November 20, 1986.

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

1. On November 5, 1984, North Nelson requested a purchased water adjustment (Case No. 9209, The Application of North Nelson Water District for a Purchased Water Adjustment) pursuant to 807 KAR 5:067. Case No. 9209 is pertinent to this case and should be made a part of the record herein.

2. In Case No. 9209, North Nelson requested permission to adjust its rates due to an increase in the wholesale rate of its supplier, city of Bardstown ("Bardstown"), from \$.60 to \$.80 per 1,000 gallons of water effective December 1, 1984.

3. In its Order dated January 14, 1985, the Commission found that, under the provisions of 807 KAR 5:067, North Nelson had the potential to absorb the full increase in purchased water

costs. The rates proposed by North Nelson were denied, and the base rate for purchased water was established as \$.80 per 1,000 gallons.

4. The record in this case shows that North Nelson has received no further increase in purchased water costs, but is basing its proposed rate adjustment on the December 1, 1984, increase which was denied by the Commission's Order in Case No. 9209.

5. North Nelson is not entitled to an adjustment in rates under 807 KAR 5:068 based on an increase which was denied in accordance with the provisions of 807 KAR 5:067 applicable at the time of a previous application therefor.

IT IS THEREFORE ORDERED that:

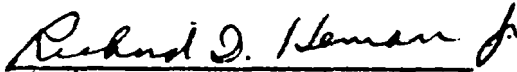
1. The record in Case No. 9209 be and it hereby is made a part of the record herein.

2. The rates proposed by North Nelson be and they hereby are denied.

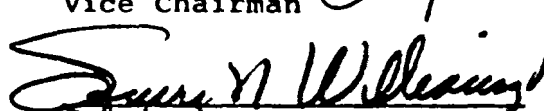
3. Adjustments shall be made to customers' next monthly bills to correct or refund any excess monies billed or collected as a result of the increases in rates denied herein.

Done at Frankfort, Kentucky, this 1st day of December, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director