

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
BEECH GROVE WATER SYSTEM, INC.) CASE NO. 94-265

O R D E R

On July 8, 1994, Beech Grove Water System, Inc. ("Beech Grove") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

1. Beech Grove purchases water from West Daviess County Water District ("West Daviess").

2. West Daviess increased its rates for water sold from \$1.83 per 1,000 gallons to \$1.88 per 1,000 gallons effective July 1, 1994. Beech Grove proposes to increase the water rates to its customers effective July 1, 1994.

3. During the 12 months ending June 30, 1994, Beech Grove purchased 2,747,960 gallons of water and sold 2,633,823 gallons. The increase in the cost of purchased water is \$137.40, resulting in a purchased water adjustment of 5 cents per 1,000 gallons as shown in Appendix B, attached hereto and incorporated herein.

Based on an average monthly usage of 5,000 gallons, monthly bills to Beech Grove's customers will increase 25 cents from \$16.80 to \$17.05, an increase of 1.5 percent.

4. Beech Grove has miscalculated the purchased water adjustment factor by using the wrong wholesale rates charged by West Daviess. Therefore, the purchased water adjustment factor and the rates proposed by Beech Grove should be denied.

5. The purchased water adjustment of 5 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Beech Grove are hereby denied.

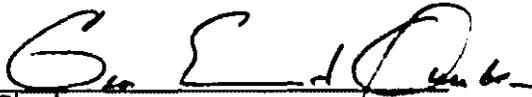
2. The purchased water adjustment of 5 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after July 1, 1994.

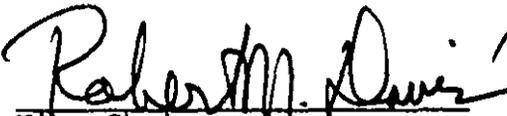
3. Within 30 days of the date of this Order, Beech Grove shall file revised tariffs setting out the rates approved herein.

4. Within 20 days of the date of this Order, Beech Grove shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 1st day of August, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-265 DATED AUGUST 1, 1994

The following rates and charges are prescribed for the customers in the area served by Beech Grove Water System, Inc. 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.

Monthly Rates:

First	2,000 gallons	\$8.68	Minimum Bill
Next	4,000 gallons	2.79	per 1,000 gallons
Next	4,000 gallons	2.34	per 1,000 gallons
Next	30,000 gallons	2.09	per 1,000 gallons
Next	60,000 gallons	1.99	per 1,000 gallons
Over	100,000 gallons	1.89	per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-265 DATED AUGUST 1, 1994

PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased:	2,747,960 gallons
Water Sold:	2,633,823 gallons
Cost at Changed Rate:	
2,747,960 x \$1.88	= \$5,166.16
LESS	
Cost at Base Rate:	
2,747,960 x \$1.83	= \$5,028.76
Increase in Cost:	\$ 137.40
\$137.40 + 2,633,823 gallons sold =	5.2 cents or \$0.05/1,000 gallons