

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )  
EAST CASEY COUNTY WATER DISTRICT )      CASE NO. 96-369

O R D E R

On August 2, 1996, East Casey County Water District ("East Casey") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. East Casey purchases water from the City of Liberty ("Liberty").
2. Effective June 15, 1996, Liberty will increase its rate for wholesale water from \$1.60 per 1,000 gallons to \$1.80 per 1,000 gallons.
3. During the 12 months ending May 31, 1996, East Casey purchased 100,038,000 gallons of water and sold 92,042,000 gallons.
4. East Casey's calculations are incorrect in that the proposed rates are not calculated using the formula set out in 807 KAR 5:068, Purchased Water Adjustment for Water Districts and Associations. The correct calculations are set out in Appendix B to this Order.

5. Based on East Casey's current charges for purchased water, East Casey's purchased water costs will increase by \$20,008, resulting in a purchased water adjustment of .22 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of East Casey's customers will increase \$1.10, from \$24.23 to \$25.33, or 4.5 percent.

6. The purchased water adjustment of .22 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 purchased water adjustment of .22 cents per 1,000 gallons and the rates in Appendix A, are approved for services rendered on and after July 15, 1996.

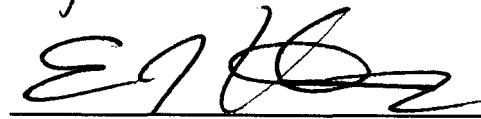
2. Within 30 days of the date of this Order, East Casey shall file verification that the notice to its customers has been given.


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

Done at Frankfort, Kentucky, this 30th day of August, 1996.

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. 96-369 DATED AUGUST 30, 1996

The following rates and charges are prescribed for the customers of the area served by East Casey County 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.

MONTHLY RATES:

All Size Meter

First 2,000 gallons	\$10.54 (Minimum Bill)
Next 3,000 gallons	4.93 per 1,000 gallons
Next 5,000 gallons	4.71 per 1,000 gallons
Next 5,000 gallons	4.48 per 1,000 gallons
Next 5,000 gallons	4.26 per 1,000 gallons
Over 20,000 gallons	3.81 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 96-369 DATED AUGUST 30, 1996

Calculation of Purchased Water Adjustment

Gallons Purchased: 100,038,000

Gallons Sold: 92,042,000

Cost at New Rate:  $100,038.0 \times 1.80 = 180,068.40$

Less

Cost at Base Rate:  $100,038.0 \times 1.60 = \underline{160,060.80}$

Increase 20,007.60

20,008.00 Increase Divided by 92,042.0 gallons sold = .217

or \$0.22 cents per 1,000 gallons.