

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
FOUNTAIN RUN WATER DISTRICT NO. 1) CASE NO. 96-471

O R D E R

On September 23, 1996, Fountain Run Water District No. 1 ("Fountain Run") 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. Fountain Run purchases water from the Glasgow Water Company ("Glasgow Water").
2. Effective September 1, 1996, Glasgow Water increased its rate for wholesale water from \$.75 per 1,000 gallons to \$.95 per 1,000 gallons.
3. Fountain Run proposed to increase the rates to its customers effective September 30, 1996.
4. During the 12 months ending June 30, 1996, Fountain Run purchased 23,974,600 gallons of water from Glasgow Water. During the same period of time, Fountain Run sold 20,020,800 gallons of water.

5. Fountain Run's purchased water adjustment calculations show an increase in purchased water cost of \$4,794.92, resulting in a purchased water adjustment of .24 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to Fountain Run customers would increase from \$19.40 to \$20.60 or 6.2 percent.

6. The purchased water adjustment of .24 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.

7. Fountain Run's proposed tariff is correct and should be approved.

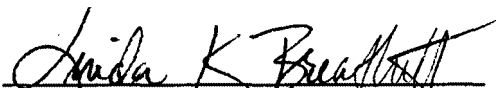
IT IS THEREFORE ORDERED that:

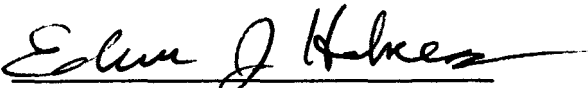
1. The purchased water adjustment of .24 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after September 30, 1996.

2. Fountain Run's proposed tariff is approved.

Done at Frankfort, Kentucky, this 16th day of October, 1996.

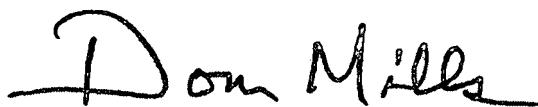
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-471 DATED OCTOBER, 16, 1996

The following rates and charges are prescribed for the customers of the area served by Fountain Run Water District No. 1. 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	\$10.88 (Minimum Bill)
Next	3,000 gallons	3.24 per 1,000 gallons
Next	5,000 gallons	2.64 per 1,000 gallons
Next	10,000 gallons	2.24 per 1,000 gallons
Over	20,000 gallons	1.99 per 1,000 gallons