

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
MORGAN COUNTY WATER DISTRICT) CASE NO. 96-549

O R D E R

On November 1, 1996, Morgan County Water District ("Morgan County") 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. Morgan County purchases water from the City of West Liberty ("West Liberty").
2. Effective November 1, 1996, West Liberty increased its rate for wholesale water from \$1.65 per 1,000 gallons to \$2.10 per 1,000 gallons.
3. Morgan County proposed to increase the rates to its customers effective November 1, 1996.
4. During the 12 months ending July 31, 1995, Morgan County purchased 26,417,000 gallons of water from West Liberty. During that same period of time, Morgan County sold 19,781,750 gallons.

5. Morgan County's purchased water adjustment calculations show an increase in purchased water cost of \$11,877.65, resulting in a purchased water adjustment of .60 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Morgan County's customers would increase \$3.00 from \$27.25 to \$30.25, or 11 percent.

6. The purchased water adjustment of .60 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. Morgan County's proposed tariff is correct and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of .60 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after November 1, 1996.

2. Morgan County's proposed tariff is approved.

Done at Frankfort, Kentucky, this 26th day of November, 1996.

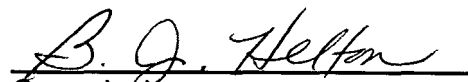
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-549 DATED NOVEMBER 26, 1996

The following rates and charges are prescribed for the customers in the area served by Morgan 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:

5/8" x 3/4" Meter

First	2,000	Gallons	\$13.45
Next	3,000	Gallons	5.60 Per 1,000 Gallons
Next	5,000	Gallons	4.60 Per 1,000 Gallons
Next	5,000	Gallons	4.35 Per 1,000 Gallons
All Over	15,000	Gallons	4.10 Per 1,000 Gallons

Minimum Bills

<u>Meter Size</u>	<u>Gallons</u>	<u>Minimum Bill</u>
5/8 inch x 3/4 inch	2,000	\$13.45
1 inch	5,000	30.00
2 inch	15,000	74.75

A monthly surcharge of \$5.35 will be assessed for the customers served by the line extensions of Stacy Fork, 1162 and Ezel. Until which time the total number of users reaches 268 or the RDA consents, in writing for it to be dropped. Provided Morgan County can show adequate cash flow.