

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
GRAYSON COUNTY WATER DISTRICT) CASE NO. 97-307

O R D E R

On July 8, 1997, Grayson County Water District ("Grayson") 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. Grayson purchases water from the City of Leitchfield Utilities Commission ("Leitchfield").
2. Effective July 19, 1997, Leitchfield increased its rates for wholesale water from \$1.156 per 1,000 gallons to \$1.274 per 1,000 gallons.
3. Grayson proposed to increase the rates to its customers effective July 19, 1997.
4. During the 12 months ending April 30, 1997, Grayson purchased 208,483,900 gallons of water and sold 180,543,319 gallons.
5. Grayson's calculations are correct and show an increase in purchased water cost of \$24,601, resulting in a purchased water adjustment of 14 cents per 1,000 gallons.

Based on an average monthly usage of 5,000 gallons, the average bill of Grayson's customers would increase 70 cents from \$31.79 to \$32.49 or 2 percent.

6. The purchased water adjustment of 14 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:

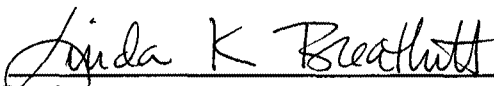
1. The purchased water adjustment of 14 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after July 19, 1997.

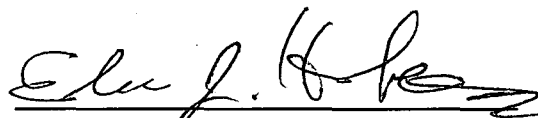
2. Grayson's proposed tariff is approved.

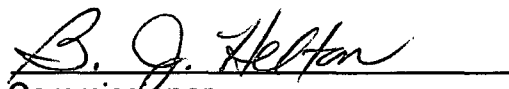
3. Within 30 days of the date of this Order, Grayson shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 5th day of August, 1997.

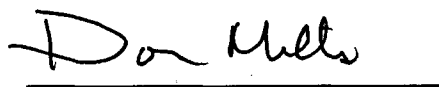
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO.97-307 DATED AUGUST 5, 1997

The following rates and charges are prescribed for the customers in the area served by Grayson 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-Inch Meter

First	1,500	Gallons	\$12.75	Minimum Bill
Next	8,500	Gallons	5.64	Per 1,000 Gallons
Next	40,000	Gallons	4.65	Per 1,000 Gallons
Next	100,000	Gallons	3.88	Per 1,000 Gallons
Over	150,000	Gallons	3.11	Per 1,000 Gallons

\$12.75 minimum applicable only to 5/8"x3/4" meter. The following minimums apply to other meter sizes.

Meter Size

3/4 Inch	First	3,000	Gallons	\$ 21.66	Minimum Bill
1 Inch	First	5,000	Gallons	33.41	Minimum Bill
1-1/2 Inch	First	10,000	Gallons	67.18	Minimum Bill
2 Inch	First	16,000	Gallons	96.46	Minimum Bill
3 Inch	First	30,000	Gallons	186.69	Minimum Bill
4 Inch	First	50,000	Gallons	285.20	Minimum Bill
6 Inch	First	100,000	Gallons	529.41	Minimum Bill
8 Inch	First	160,000	Gallons	800.95	Minimum Bill
10 Inch	First	550,000	Gallons	2,040.79	Minimum Bill