

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
BUFFALO TRAIL WATER ASSOCIATION) CASE NO. 98-028

O R D E R

On January 12, 1998, Buffalo Trail Water Association ("Buffalo Trail") 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. Buffalo Trail purchases water from Western Fleming Water District ("Western Fleming").
2. Effective December 1, 1997, Western Fleming increased its rates for wholesale water from \$0.65 per 1,000 gallons to \$0.98 per 1,000 gallons.
3. Buffalo Trail proposed to increase the rates to its customers effective January 1, 1998.
4. During the 12 months ending December 31, 1997, Buffalo Trail purchased 97,488,900 gallons of water and sold 70,481,350.

5. Buffalo Trail's calculations are correct and show an increase in purchased water cost of \$32,171.33, resulting in a purchased water adjustment of \$0.46 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Buffalo Trail's customers would increase \$2.30 from \$33.30 to \$35.60 or 6.9 percent.

6. The purchased water adjustment of \$0.46 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 \$0.46 per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after January 1, 1998.

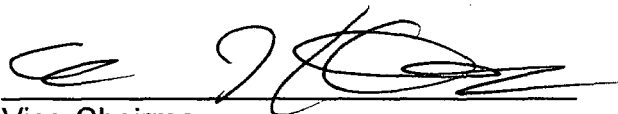
2. Buffalo Trail's proposed tariff is approved.

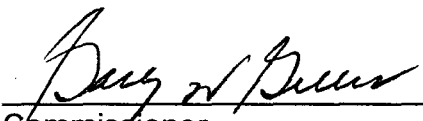
3. Within 30 days of the date of this Order, Buffalo Trail shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 11th day of February, 1998.

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. 98-028 DATED FEBRUARY 11, 1998

The following rates and charges are prescribed for the customers in the area served by Buffalo Trail Water Association. 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 Meters

First	1,000 gallons	\$13.96 Minimum Bill
Next	4,000 gallons	5.41 per 1,000 gallons
Next	5,000 gallons	3.61 per 1,000 gallons
Over	10,000 gallons	3.16 per 1,000 gallons

3/4 Inch Meters

First	5,000 gallons	\$35.60 Minimum Bill
Next	5,000 gallons	3.61 per 1,000 gallons
Over	10,000 gallons	3.16 per 1,000 gallons

1 Inch Meters

First	10,000 gallons	\$53.65 Minimum Bill
Over	10,000 gallons	3.16 per 1,000 gallons

1-1/2 Inch Meters

First	15,000 gallons	\$69.45 Minimum Bill
Over	15,000 gallons	3.16 per 1,000 gallons

2 Inch Meters

First	20,000 gallons	\$85.25 Minimum Bill
Over	20,000 gallons	3.16 per 1,000 gallons

Coin Operated Water Sales

First	1,000 gallons	\$25.00 Minimum Bill
Over	1,000 gallons	2.00 per 1,000 gallons

Wholesale Rates

Mt. Olivet Water Company	\$1.21 per 1,000 gallons
Nicholas County Water District	\$1.81 per 1,000 gallons