

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
LAKE VILLAGE WATER ASSOCIATION, INC.) CASE NO. 99-307

O R D E R

On July 19, 1999, Lake Village Water Association, Inc. (Lake Village) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068. On July 23, 1999, Lake Village submitted an amendment to its original application.

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

1. Lake Village purchases its water from two suppliers, City of Harrodsburg (Harrodsburg) and City of Danville (Danville).
2. Harrodsburg increased the wholesale water rate charged to Lake Village, effective May 1, 1999, as follows:

First	250	cubic feet	from \$5.00	to \$6.00	Minimum bill
Next	750	cubic feet	from 1.90	to 2.28	per 100 cubic feet
Next	3,000	cubic feet	from 1.65	to 1.98	per 100 cubic feet
Next	6,000	cubic feet	from 1.40	to 1.68	per 100 cubic feet
Next	25,000	cubic feet	from 1.20	to 1.44	per 100 cubic feet
Next	25,000	cubic feet	from 1.00	to 1.20	per 100 cubic feet
All Over	60,000	cubic feet	from .80	to .96	per 100 cubic feet

Danville did not increase its rate.

3. During the 12 months ending April 30, 1999, Lake Village purchased a total of 121,694,447 gallons of water and sold 93,301,200 gallons.

4. The increase in the cost of purchased water will be \$21,499.93, resulting in a purchased water adjustment of \$0.23 per 1,000 gallons of water. Based on a monthly usage of 5,000 gallons, the average bill of a Lake Village customer would increase \$1.15 from \$34.37 to \$35.52 or 3.3 percent.

5. The amended calculations and tariff provided by Lake Village are correct and should be approved.

6. The purchased water adjustment of \$0.23 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 \$0.23 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after August 1, 1999.

2. The amended tariff submitted by Lake Village is hereby approved as filed.

3. Within 20 days from the effective date of this Order, Lake Village shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 18th day of August, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-307 DATED AUGUST 18, 1999

The following rates and charges are prescribed for the customers in the area served by Lake Village Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	1,000 gallons	\$14.20	Minimum bill
Next	2,000 gallons	5.58	per 1,000 gallons
Next	2,000 gallons	5.08	per 1,000 gallons
Next	5,000 gallons	4.62	per 1,000 gallons
Over	10,000 gallons	4.26	per 1,000 gallons