COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
MORGAN COUNTY WATER DISTRICT)	CASE NO. 99-352

ORDER

On August 23,1999, Morgan County Water District (Morgan County) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068. On September 10, 1999, Morgan County submitted an amended application and its case was officially filed.

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

- Morgan County purchases its water from the City of West Liberty
 (West Liberty).
- 2. West Liberty is increasing the wholesale water rate charged to Morgan County from \$2.10 per 1,000 gallons to \$2.25 per 1,000 gallons purchased, effective October 1, 1999.
- 3. During the 12 months ending August 31, 1999, Morgan County purchased a total of 45,429,000 gallons of water and sold 33,733,792 gallons.
- 4. The increase in the cost of purchased water will be \$6,814.35, resulting in a purchased water adjustment of \$0.20 per 1,000 gallons of water. Based on a monthly

usage of 5,000 gallons, the average bill of a Morgan County customer would increase \$1.00 from \$30.25 to \$31.25 or 3.3 percent.

5. The calculations and tariff provided by Morgan County in its amended application are correct and should be approved.

6. The purchased water adjustment of \$0.20 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 \$0.20 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after October 1, 1999.

2. The amended tariff submitted by Morgan County is hereby approved as filed.

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

Done at Frankfort, Kentucky, this 29th day of September, 1999.

By the Commission

ATTEST:			
Executive Director	_		

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-352 DATED SEPTEMBER 29, 1999

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 the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 inch x 3 /4 inch meter

First	2,000	gallons	\$13.85	Minimum bill
Next	3,000	gallons	5.80	per 1,000 gallons
Next	5,000	gallons	4.80	per 1,000 gallons
Next	5,000	gallons	4.55	per 1,000 gallons
Over	15,000	gallons	4.30	per 1,000 gallons

1 inch meter

First	5,000 gallons	\$31.25	Minimum bill
Next	5,000 gallons	4.80	per 1,000 gallons
Next	5,000 gallons	4.55	per 1,000 gallons
Over	15,000 gallons	4.30	per 1,000 gallons

2 inch meter

First	15,000 gallo	ons \$78.00	Minimum bill
Over	15,000 gallo	ons 4.30	per 1,000 gallons