

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF SOUTH LOGAN WATER) CASE NO. 2001-103
ASSOCIATION)

O R D E R

On April 20, 2001, South Logan Water Association ("South Logan") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

1. South Logan purchases water from the city of Adairville ("Adairville").
2. On March 8, 2001, Adairville filed revised rate schedules with the Commission which increase Adairville's wholesale water rate to South Logan from \$1.45 per 1,000 gallons to \$1.60 per 1,000 gallons. This revised rate became effective on April 7, 2001. South Logan may increase the water rates to its customers to reflect this increase effective the day of the increase.
3. During the 12 months ending December 31, 2000, South Logan purchased 201,954,000 gallons of water and sold 149,588,800 gallons. The increase in the cost of purchased water is \$30,293.10, resulting in a purchased water adjustment of \$0.20 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the

average bill of South Logan's customers would rise \$1.00 from \$23.70 to \$24.70 or 1 percent.

4. Adairville additionally increased its customer service charge from \$2.25 to \$3.25 per customer. This fee is charged to each customer of South Logan for billing and collecting services rendered by Adairville. This increased charge cannot be included as part of South Logan's purchased water adjustment as it does not relate to purchased water costs.

5. The rates proposed by South Logan should be denied.

6. The purchased water adjustment of \$0.20 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by South Logan include expenses that are not part of its purchased water costs and are hereby denied.

2. 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 are approved for services rendered on and after April 7, 2001.

3. Within 20 days of the date of this Order, South Logan shall file with the Commission revised tariff sheets showing the rates approved herein.

4. Within 20 days of the date of this Order South Logan shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 11th day of May, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2001-103 DATED MAY 11, 2001

The following rates and charges are prescribed for the customers in the area served by South Logan Water Association. 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 Meter

First	2,000 gallons	\$ 10.88	Minimum bill
Next	2,000 gallons	4.94	per 1,000 gallons
Next	2,000 gallons	3.94	per 1,000 gallons
Next	4,000 gallons	2.94	per 1,000 gallons
All Over	10,000 gallons	2.44	per 1,000 gallons

3/4 Inch Meter

First	3,000 gallons	\$ 15.82	Minimum bill
Next	1,000 gallons	4.94	per 1,000 gallons
Next	2,000 gallons	3.94	per 1,000 gallons
Next	4,000 gallons	2.94	per 1,000 gallons
All Over	10,000 gallons	2.44	per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$ 24.70	Minimum bill
Next	1,000 gallons	3.94	per 1,000 gallons
Next	4,000 gallons	2.94	per 1,000 gallons
All Over	10,000 gallons	2.44	per 1,000 gallons

1 ½ Inch Meter

First	25,000 gallons	\$ 77.00	Minimum bill
All Over	25,000 gallons	2.44	per 1,000 gallons

2 Inch Meter

First	50,000 gallons	\$ 138.00	Minimum bill
All Over	50,000 gallons	2.44	per 1,000 gallons