COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)OF WESTERN ROCKCASTLE WATER)CASE NO.ASSOCIATION, INC.)2004-00283

<u>O R D E R</u>

On July 12, 2004, Western Rockcastle Water Association, Inc. ("Western Rockcastle") 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. Western Rockcastle purchases water from the city of Mt. Vernon ("Mt. Vernon"), Southern Madison Water District ("Southern Madison"), and the city of Brodhead ("Brodhead").

2. Mt. Vernon notified Western Rockcastle that, effective July 18, 2004, Western Rockcastle's wholesale water rate would increase from \$1.81 per 1,000 gallons to \$2.05 per 1,000 gallons. Western Rockcastle proposes to increase the water rates to its customers effective July 18, 2004.

3. During the 12 months ending May 31, 2004, Western Rockcastle purchased 283,926,800 gallons of water from Mt. Vernon, 8,532,200 gallons of water from Southern Madison and 444,500 gallons of water from Brodhead and sold 213,622,400 gallons. The increase in the cost of purchased water is \$68,142, resulting in a purchased water adjustment of \$0.32 per 1,000 gallons.

4. The purchased water adjustment of \$0.32 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.32 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 July 18, 2004.

2. The proposed tariff sheets filed by Western Rockcastle are accepted as filed.

Done at Frankfort, Kentucky, this 11th day of August, 2004.

By the Commission

ATTEST:

Case No. 2004-00283

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00283 DATED AUGUST 11, 1004

The following rates and charges are prescribed for the customers in the area served by Western Rockcastle 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

<u>5/8" x 3/4" Meter</u>:

First	2,000	gallons
Next	3,000	gallons
Next	5,000	gallons
Next	15,000	gallons
Over	25,000	gallons

<u>1" Meter:</u>

First5,000gallonsNext5,000gallonsNext15,000gallonsOver25,000gallons

<u>1 1/2" Meter:</u>

First 10,000 gallons Next 15,000 gallons Over 25,000 gallons

2" Meter:

First 25,000 gallons Over 25,000 gallons \$15.04 Minimum Bill 5.42 per 1,000 gallons 5.02 per 1,000 gallons 4.52 per 1,000 gallons 3.42 per 1,000 gallons

\$31.30 Minimum Bill 5.02 per 1,000 gallons 4.52 per 1,000 gallons 3.42 per 1,000 gallons

\$56.40 Minimum Bill 4.52 per 1,000 gallons 3.42 per 1,000 gallons

\$124.20 Minimum Bill 3.42 per 1,000 gallons