

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT	)	
OF SOUTH ANDERSON WATER	)	CASE NO. 2004-00284
DISTRICT	)	

O R D E R

On July 14, 2004, South Anderson Water District ("South Anderson") 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 Anderson purchases water from the city of Lawrenceburg ("Lawrenceburg") and the Frankfort Plant Board.
2. Lawrenceburg notified South Anderson that effective with South Anderson's August 1, 2004 billing Lawrenceburg's wholesale water rate would increase from a base rate of \$1.17 per 1,000 gallons, to a two-step declining block rate of \$2.08 per 1,000 gallons for the first 8,000,000 gallons and \$1.94 per 1,000 gallons for all over 8,000,000 gallons. South Anderson proposes to increase the water rates to its customers effective August 1, 2004.
3. During the 12 months ending May 31, 2004, South Anderson purchased 141,098,700 gallons of water from Lawrenceburg and 18,906,000 gallons of water from the Frankfort Plant Board for a total of 160,004,700 gallons. South Anderson sold a

total of 116,925,707 gallons. The increase in the cost of purchased water is \$122,085.98, resulting in a purchased water adjustment of \$1.04 per 1,000 gallons.

4. South Anderson miscalculated the increased cost of water in its application by applying the same rate, \$1.17 per 1,000 gallons, to all purchases.

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

6. The purchased water adjustment of \$1.04 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by South Anderson are denied.

2. The purchased water adjustment of \$1.04 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 August 1, 2004.

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

4. Prior to the rendering of the first bill at the increased rate, South Anderson shall issue notice to its customers and provide the Commission a copy of the notice along with verification that such notice has been given.

Done at Frankfort, Kentucky, this 10<sup>th</sup> day of August, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00284 DATED August 10, 2004

The following rates and charges are prescribed for the customers in the area served by South Anderson 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

First	2,000	gallons	\$ 14.58	Minimum bill
Next	1,000	gallons	7.14	per 1,000 gallons
Next	2,000	gallons	6.19	per 1,000 gallons
Next	2,000	gallons	5.29	per 1,000 gallons
Next	3,000	gallons	4.34	per 1,000 gallons
All Over	10,000	gallons	4.04	per 1,000 gallons