

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LARUE COUNTY)
WATER DISTRICT FOR A PURCHASED) CASE NO. 2004-00344
WATER ADJUSTMENT)

O R D E R

On August 20, 2004, LaRue County Water District (“LaRue County”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

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

1. LaRue County purchases water from the city of Bardstown (“Bardstown”), Green River Valley Water District (“Green River Valley”), Green Taylor Water District (“Green Taylor”), Campbellsville Municipal Water and Sewer (“Campbellsville”), Hodgenville Water Works (“Hodgenville”), and the city of New Haven (“New Haven”).

2. Green River Valley notified LaRue County that, effective with Green River Valley’s August 23, 2004 billing, Larue County’s wholesale water rate would increase from \$1.18 per 1,000 gallons to \$1.58 per 1,000 gallons. Hodgenville notified LaRue County that, effective with Hodgenville’s August 12, 2004 billing, LaRue County’s wholesale rate would increase from \$1.58 per 1,000 gallons to \$1.97 per 1,000 gallons. Campbellsville notified LaRue County that, effective with Campbellsville’s July 01, 2004 billing, LaRue County’s wholesale water rate would change from \$18.00 for the first

1,000 gallons and all over 1,000 gallons would change from \$1.58 per 1,000 gallons to \$1.97 per 1,000 gallons.

3. During the 12 months ending July 2004, LaRue County purchased 88,765,000 gallons from Green River Valley, 62,200 gallons from Green Taylor, 4,205,980 gallons from Campbellsville, 62,901,599 gallons from Hodgenville, and 1,260,730 gallons from New Haven. LaRue County miscalculated the increase in the cost of purchased water from Campbellsville in the application. The increase in the cost of purchased water is \$61,757, resulting in a purchased water adjustment factor of \$0.36 per 1,000 gallons.

4. The purchased water adjustment of \$0.36 per 1,000 gallons is fair, just, and reasonable and should be approved.

5. KRS 278.015 permits a water district to adjust its rates without prior Commission approval to reflect a commensurate adjustment in the rates that its wholesale supplier charges for wholesale water service. The effective date of such adjustment, however, may not occur prior to the time the wholesale supplier adjusted its rates. As Green River Valley did not adjust its wholesale rate until August 23, 2004, LaRue County's adjustment may not occur prior to August 23, 2004.

IT IS THEREFORE ORDERED that:

1. LaRue County's proposed rates are approved.
2. The purchased water adjustment of \$0.36 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for water service rendered on and after August 23, 2004.

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

Done at Frankfort, Kentucky, this 29th day of September, 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. 2004-00344 DATED September 29, 2004

The following rates and charges are prescribed for the customers in the area served by LaRue 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 x 3/4 Inch Meter

First	1,000 gallons	\$ 12.50	Minimum bill
Next	4,000 gallons	5.40	per 1,000 gallons
Next	5,000 gallons	4.75	per 1,000 gallons
All Over	10,000 gallons	3.75	per 1,000 gallons

3/4" Meter

First	3,000 gallons	\$23.30	Minimum bill
Next	2,000 gallons	5.40	per 1,000 gallons
Next	5,000 gallons	4.75	per 1,000 gallons
Next	10,000 gallons	3.75	per 1,000 gallons

1" Meter

First	5,000 gallons	\$34.10	Minimum bill
Next	5,000 gallons	4.75	per 1,000 gallons
Over	10,000 gallons	3.75	per 1,000 gallons

1-1/2" Meter

First	10,000 gallons	\$57.85	Minimum bill
Over	10,000 gallons	3.75	per 1,000 gallons

2" Meter

First	20,000 gallons	\$95.35	Minimum bill
Over	20,000 gallons	3.75	per 1,000 gallons