

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
OAK HILL WATER ASSOCIATION, INC.) CASE NO. 92-393

O R D E R

On September 18, 1992, Oak Hill Water Association, Inc. ("Oak Hill") filed its revised tariff sheets with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

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

1. Oak Hill purchases its water from the city of Somerset ("Somerset").

2. Somerset increased its rate for water sold to Oak Hill from \$1.55 to \$2.00 per 1,000 gallons effective October 1, 1992.

3. Oak Hill will increase the rates to its customers effective October 1, 1992. Based on an average monthly usage of 5,000 gallons, the average bill of Oak Hill's customers would increase \$2.03 from \$13.15 to \$15.18, or 15.44 percent.

4. During the 12 months ending June 30, 1992, Oak Hill purchased 51,400,000 gallons of water and sold 51,137,800 gallons of water during the same 12-month period.

5. The purchased water adjustment and rates proposed by Oak Hill are incorrect in that it did not use the correct proposed rate

in calculating the increase in the cost of water purchased from Somerset.

6. The correct increase in the cost of purchased water is \$23,130, resulting in a purchased water adjustment of 45 cents per 1,000 gallons as shown in Appendix B.

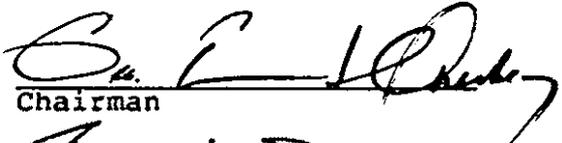
7. The purchased water adjustment of 45 cents per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable, and should be approved.

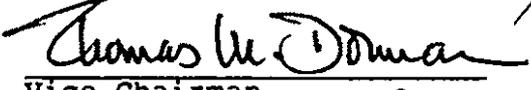
IT IS THEREFORE ORDERED that:

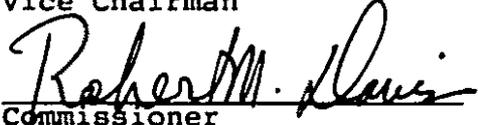
1. The rates proposed by Oak Hill are denied.
2. The purchased water adjustment of 45 cents per 1,000 gallons of water in Appendix B and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after October 1, 1992.
3. Within 30 days of the date of this Order, Oak Hill shall file revised tariff sheets setting out the rates approved herein.
4. Within 30 days of the date of this Order, Oak Hill shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 1st day of October, 1992.

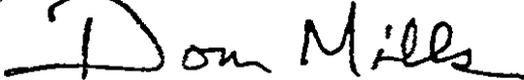
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-393 DATED October 1, 1992.

The following rates and charges are prescribed for the customers in the area served by Oak Hill Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Monthly Usage</u>	<u>Rate</u>
First 1,500 Gallons	\$6.95 (Minimum Bill)
Next 3,500 Gallons	2.35 per 1,000 Gallons
Next 5,000 Gallons	2.00 per 1,000 Gallons
Next 15,000 Gallons	1.90 per 1,000 Gallons
All over 25,000 Gallons	1.80 per 1,000 Gallons
Sales for Resale	1.83 per 1,000 Gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-393 DATED October 1, 1992.

Gallons Purchased:	51,400,000
Gallons Sold:	51,137,800
Cost at New Rate: 51,400,000 m. gals. x 2.00 =	\$102,800.00
Less	
Cost at Base Rate: 51,400,000 m. gals. x 1.55 =	\$ 79,670.00
Increase	\$ 23,130.00
\$23,130.00 + 51,137,800 m. gals. sold = \$0.4523 or 45 cents per 1,000 gallons	