

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of:

THE APPLICATION OF VALLEY HIGH UTILITY)
COMPANY, INC., FOR AN ORDER AUTHORIZING)
A PASS-THROUGH OF BRACKEN COUNTY NUMBER) CASE NO. 8023
ONE WATER DISTRICT WHOLESALE WATER RATE)
INCREASE IN CASE NO. 7936)

O R D E R

On October 31, 1980, Valley High Utility Company, Inc., (Applicant) filed an Application with the Commission wherein it proposed to increase its rates for water service to produce an annual increase in revenue of \$925, an increase of approximately 58.7%. Valley High stated that the proposed changes in rates were designed to compensate for the increase in its purchased water costs proposed by its wholesale water supplier, Bracken County Water District Number One (Bracken County), in Case No. 7936.

In order to determine the reasonableness of the proposed rates, the Commission in an Order dated November 20, 1980, scheduled a public hearing for January 13, 1981, and ordered the Applicant to notify its customers of the proposed rates and the time and place of the hearing. The Applicant complied with the notice requirements and the hearing was held as scheduled with no protests being entered. The Applicant has responded to all requests for information and the matter is now considered to be fully submitted for final determination by the Commission.

Findings and Orders

The Commission after review of the evidence of record and being advised is of the opinion and so FINDS:

(1) That the actual increase granted Bracken County Water District Number One is \$30,040 which will result in an increase in water costs to Applicant of \$846 based on the purchase analysis for the year ending September 30, 1980.

(2) That Valley High Utility Company, Inc., is entitled to recover the increased purchased water costs granted in Case No. 7936 and its financial condition would be materially impaired if it were not allowed to recover this additional cost.

(3) That the pass through of the increased wholesale water costs by Valley High Utility Company, Inc., will not result in any additional net income.

(4) That Valley High Utility Company's current and proposed tariffs include a service connection charge. The Applicant presented no evidence to justify said charge, and further to allow such a charge for a private corporation is against Commission policy.

IT IS THEREFORE ORDERED that Valley High Utility Company, Inc., is hereby authorized to pass through the increased water costs resulting from the rate increase granted its wholesale water supplier in Case No. 7936, which was effective January 23, 1981.

IT IS FURTHER ORDERED that the rates set out in Appendix "A" shall be effective for service rendered on and after the date of the supplier's increase.

IT IS FURTHER ORDERED that the rates sought by Valley High Utility Company, Inc., insofar as they differ from those set out in Appendix "A" are hereby denied.

IT IS FURTHER ORDERED that the Applicant's service connection charge is hereby denied.

IT IS FURTHER ORDERED that the Applicant shall file with this Commission within thirty (30) days from the date of this Order its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 20th day of February, 1981.

UTILITY REGULATORY COMMISSION

Did not participate
Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY
COMMISSION IN CASE NO. 8023 DATED FEBRUARY 20,
1981

The following rates are prescribed for the customers in the area served by Valley High Utility Company. 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 date of this Order.

<u>Monthly Usage</u>	<u>Rate</u>
First 1,000 Gallons	\$ 7.75 (Minimum Bill)
Next 2,000 Gallons	2.00 per 1,000 gallons
Next 2,000 Gallons	1.95 per 1,000 gallons
Over 5,000 Gallons	1.85 per 1,000 gallons

Service Connection Charge

Canceled