

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE APPLICATION OF SANITATION DISTRICT)
NO. 1 OF MONTGOMERY COUNTY, KENTUCKY) CASE NO. 8492
FOR ADJUSTMENT OF RATES AND CHARGES)

INTERIM ORDER

On March 31, 1982, Sanitation District No. 1 of Montgomery County ("Montgomery County") filed an application with this Commission seeking authority to increase its rates for services provided. The proposed rates would produce additional revenue of \$8,853 annually, an increase of 40 percent. Montgomery County also filed a motion pursuant to KRS 278.190(2) for an interim increase of the same amount.

The Commission has reviewed the application with regard to the motion for an interim rate increase and finds as follows:

(1) Montgomery County contracts with the City of Mt. Sterling Water and Sewer System ("Mt. Sterling") for treatment of sewage, based on the cubic feet of water consumption.

(2) Effective March 1, 1982, Mt. Sterling increased its monthly service charges to Montgomery County by \$334 to \$1,035.

(3) Based on the 12-month period ending December 31, 1981, Montgomery County will incur additional costs of \$4,007 annually as a result of the increase in service charges by Mt. Sterling.

(4) This increased cost, if not offset by additional revenue, will adversely affect the financial integrity of Montgomery County during the period required by the Commission to consider a general increase in rates.

(5) Montgomery County should be allowed to adjust its rates on an interim basis in order to recover this additional cost. The interim rates in Appendix A are designed to produce total revenue of \$24,750 annually based on the 12-month period ending December 31, 1981.

(6) The rates proposed by Montgomery County for an interim increase produce revenue in excess of the interim increase found fair by the Commission and should be denied upon application of KRS 278.030.

(7) The interim rates should be subject to refund pending a final determination by the Commission of Montgomery County's request for permanent rate relief.

IT IS THEREFORE ORDERED that the interim rates proposed by Montgomery County be and they hereby are denied.

IT IS FURTHER ORDERED that the interim rates in Appendix A are the fair, just, and reasonable rates to charge for sewage service rendered by Montgomery County on and after the date of this Order.

IT IS FURTHER ORDERED that the revenue from these interim rates shall be collected subject to refund, pending a final determination by the Commission.

IT IS FURTHER ORDERED that Montgomery County shall maintain its records in a manner which will enable any of its customers

or the Commission to determine the amounts to be refunded and to whom due in the event a refund is ordered by the Commission.

IT IS FURTHER ORDERED that Montgomery County shall furnish the Commission within 20 days after the date of this Order its revised tariff sheet setting forth the interim rates approved herein.

Done at Frankfort, Kentucky, this 8th day of June, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Vohz
Chairman

Katharine Bendall
Vice Chairman

Tom Carigan
Commissioner

ATTEST:

Secretary

APPENDIX "A"

AN APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 8492 DATED JUNE 8, 1982

The following rates are prescribed for the customers in the area served by Sanitation District No. 1 of Montgomery County, Kentucky. 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 the Order.

Sewer User Rate Schedule

Monthly Rate

First	100 cu. ft.	\$ 3.46 Minimum Bill
Next	600 cu. ft.	1.25 per 100 cu. ft.
Next	1,300 cu. ft.	1.13 per 100 cu. ft.
Next	1,300 cu. ft.	1.01 per 100 cu. ft.
Next	3,400 cu. ft.	.89 per 100 cu. ft.
Next	6,600 cu. ft.	.72 per 100 cu. ft.
Next	13,300 cu. ft.	.54 per 100 cu. ft.
Next	26,700 cu. ft.	.48 per 100 cu. ft.
All Over	53,300 cu. ft.	.42 per 100 cu. ft.