

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ROUGH RIVER WATER)	
SYSTEM FOR A RATE ADJUSTMENT PURSUANT)	CASE NO.
TO THE ALTERNATIVE RATE FILING PROCEDURE)	89-207
FOR SMALL UTILITIES)	

O R D E R

On March 26, 1990, the Commission, by Order, adopted the findings and recommendations contained in the Staff Report of January 30, 1990, and established new rates for the service rendered by Rough River Water System, Inc. ("Rough River"). Shortly thereafter, Rough River advised the Commission that the rates set forth in its Order were not the same as those contained in the Staff Report and requested that the Commission reconsider its Order of March 26, 1990.

On April 24, 1990, finding that the Staff Report did not properly calculate revenue requirements and that the rates recommended therein were incorrect, the Commission vacated its Order of March 26, 1990, and ordered Commission Staff to amend its report accordingly.

Commission Staff subsequently issued an Amendment to Staff Report which recommended rates based on a revenue requirement of \$91,212. On May 10, 1990, Rough River submitted a response to the Amendment to Staff Report and requested an informal conference and

a public hearing. Following an informal conference held on June 14, 1990, Rough River formally waived its request for a hearing in this matter.

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

1. The recommendations and findings contained in the Staff Report of January 30, 1990, as amended by the Amendment to Staff Report issued on April 24, 1990, as supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for service provided by Rough River and will produce annual revenue of \$91,212. These rates will allow Rough River sufficient revenues to meet its operating expenses, service its debt, and provide for future equity growth.

3. The rates proposed by Rough River will produce revenue increases which are unreasonable and thus inconsistent with KRS 278.030.

IT IS THEREFORE ORDERED that:

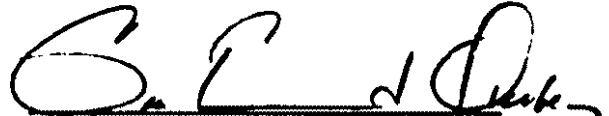
1. The rates proposed by Rough River in its application are hereby denied.

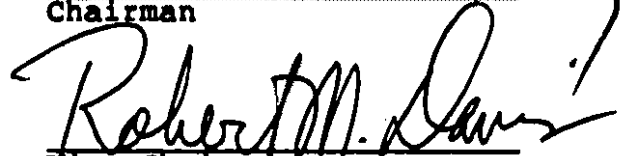
2. The rates contained in Appendix A are approved for service rendered by Rough River on and after the date of this Order.


3. Within 30 days of the date of this Order, Rough River shall file with the Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 13th day of August, 1990.

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. 89-207 DATED August 13, 1990

The following rates and charges are prescribed for water service to customers of Rough River Water System. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

<u>Monthly Rates</u>	<u>Rate</u>
First 2,000 gallons	\$ 8.20 Minimum Bill
Next 8,000 gallons	3.10 per 1,000 gallons
Next 10,000 gallons	2.75 per 1,000 gallons
Next 30,000 gallons	2.30 per 1,000 gallons
Over 50,000 gallons	1.80 per 1,000 gallons