

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MEADE COUNTY WATER )  
DISTRICT FOR A RATE ADJUSTMENT PURSUANT )  
TO THE ALTERNATIVE RATE FILING PROCEDURE ) CASE NO. 89-335  
FOR SMALL UTILITIES AND FOR AN INCREASE )  
IN NON-RECURRING CHARGES )

O R D E R

On November 1, 1989, Meade County Water District ("Meade County") filed an application with the Commission seeking to increase its rates pursuant to the Alternative Rate Filing Procedure for Small Utilities. The proposed rates for water service would generate approximately \$13,267 annually in additional revenues, an increase of 8.96 percent over normalized test-year revenues from water sales of \$148,104. In its application, Meade County also proposed to increase its 5/8 x 3/4 inch meter connection fee from \$300 to \$500 and its fee for a customer-requested meter test from \$5 to \$10.

As Meade County requested the assistance of Commission Staff in preparing its application, Staff's field review of Meade County's test-period financial records was conducted in October of 1989, prior to the filing of the application. Staff issued its report on February 1, 1990, recommending that Meade County be authorized to increase its annual operating revenues by \$33,241. After reviewing the cost justification filed by Meade County in

support of the increase in its meter connection fee, Staff recommended that the proposed increase be approved.

By letter dated February 5, 1990, the Commission advised Meade County that comments on the Staff Report or a request for a public hearing must be submitted no later than February 20, 1990, or this case would stand submitted to the Commission for decision. On February 12, 1990, Meade County filed a response accepting the Staff Report.

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

1. The recommendations and findings contained in the Staff Report are 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 Meade County and will produce annual revenues from water sales of \$181,345. These rates will allow Meade County sufficient revenues to meet its operating expenses and provide for future equity growth, including servicing its debt.

3. The rates proposed by Meade County would produce revenue increases inadequate to meet Meade County's operating expenses and debt service requirements and should be denied upon application of KRS 278.030.

4. Meade County's proposed increase in its meter connection fee is fair, just, and reasonable and should therefore be approved.

5. Meade County did not file cost justification supporting the proposed increase in its customer-requested meter test, and the increase should therefore be denied.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Meade County in its application are hereby denied.

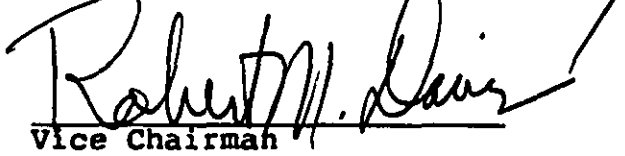
2. The rates and charges in Appendix A are approved for service rendered by Meade County on and after the date of this Order.

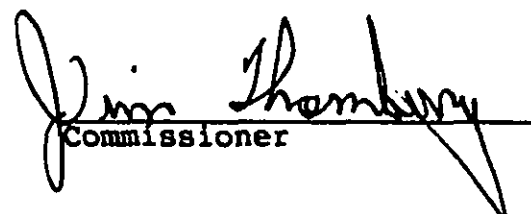
3. Within 30 days of the date of this Order, Meade County shall file with the Commission its revised tariff setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 8th day of March, 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. 89-335 DATED 3/08/90

The following rates and charges are prescribed for water service to customers of Meade County Water District. 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>Usage Increment</u>	<u>Rate</u>
First 2,000 gallons	\$ 14.55 Minimum Bill
Next 5,000 gallons	7.25 per 1,000 gallons
Next 10,000 gallons	6.95 per 1,000 gallons
Next 20,000 gallons	6.25 per 1,000 gallons
Over 37,000 gallons	5.25 per 1,000 gallons
Bulk Sales	5.25
5/8 x 3/4 Meter Connection Fee	\$500.00