

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SALT RIVER)
WATER DISTRICT FOR RATE ADJUSTMENT)
PURSUANT TO THE ALTERNATIVE RATE) CASE NO. 90-143
FILING PROCEDURE FOR SMALL)
UTILITIES)

O R D E R

On May 21, 1990, Salt River Water District ("Salt River") filed its application for Commission approval of a proposed increase in its rates for water service. The proposed rates would generate additional annual revenues of \$174,954, an increase of 58.5 percent above test-year revenues. Pursuant to KRS 278.190(2) Salt River was authorized to place its rates into effect on an emergency basis prior to the expiration of the 5 month suspension period, after demonstrating that its financial integrity would be materially impaired. The Commission by Order authorized Salt River to place its rates into effect subject to refund on and after October 30, 1990.

In July 1990, Commission Staff conducted a field review of Salt River's test-period financial records. Based upon this review, Commission Staff issued its report on January 8, 1991, recommending that Salt River be permitted to increase its annual revenues by \$172,720.

Intervention in this proceeding was granted to the city of Shepherdsville, Kentucky, and a consumer, Ms. Mary Chandler. A

hearing in this matter was held on February 12, 1991 at the Commission's offices in Frankfort, Kentucky. At the hearing, testimony was given by James H. Rice, Commissioner of Salt River, Glenda Howlett, financial secretary for Salt River, and Commission Staff members Sam Bryant and Carryn Lee.

In Case No. 90-425,¹ Salt River was granted an increase of \$3,950 by Order dated January 11, 1991. This increase, which became effective January 1, 1991, was necessary to pass on the increased wholesale costs from its supplier, The Louisville Water Company.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds:

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 Salt River and will produce gross annual revenues of \$478,927. These rates will allow Salt River sufficient revenues to meet its operating expenses, and provide for future growth equity, including provisions for servicing its debt.

IT IS THEREFORE ORDERED that:


¹ Purchased Water Adjustment of Salt River Water District.

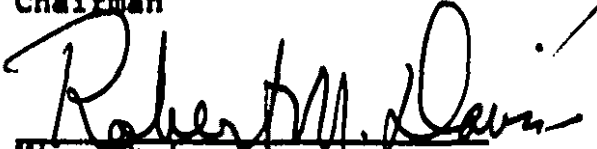
1. The rates in Appendix A are given final approval for service rendered by Salt River on and after the date of this Order.

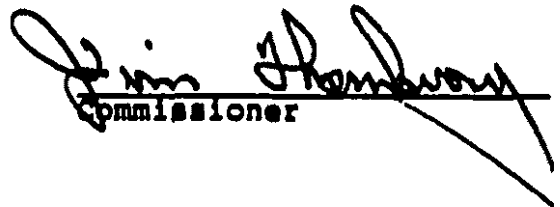
2. Within 30 days of the date of this Order, Salt River shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 21st day of March, 1991.

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. 90-143 DATED 3/21/91

The following rates and charges are prescribed for the customers in the area served by Salt River Water District. 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.

Usage Blocks

5/8 x 3/4 Inch Connection

First 2,000 gallons
Next 3,000 gallons
Next 5,000 gallons
Next 15,000 gallons
Over 25,000 gallons

Monthly Rates

\$16.38 Minimum Bill
4.94 per 1,000 gallons
4.44 per 1,000 gallons
4.19 per 1,000 gallons
3.69 per 1,000 gallons

1 Inch Connection

First 5,000 gallons
Next 5,000 gallons
Next 15,000 gallons
Over 25,000 gallons

\$31.20 Minimum Bill
4.44 per 1,000 gallons
4.19 per 1,000 gallons
3.69 per 1,000 gallons

1 1/2 to 4 Inch Connection

First 10,000 gallons
Next 15,000 gallons
Over 25,000 gallons

\$53.40 Minimum Bill
4.19 per 1,000 gallons
3.69 per 1,000 gallons