

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF THE U.S.)	
60 WATER DISTRICT OF SHELBY AND)	CASE NO. 96-318
FRANKLIN COUNTIES, KENTUCKY)	

O R D E R

On July 29, 1996, U.S. 60 Water District of Shelby and Franklin Counties ("U.S. 60") filed an application with the Commission seeking to increase its water rates. Commission Staff, having performed a limited financial review of U.S. 60's operations, prepared a Staff Report containing Staff's findings and recommendations regarding the proposed rates. The Staff Report was issued October 18, 1996, with all parties being given the opportunity to review the report and to provide any written comments or requests for a hearing or informal conference within 15 days. A response was received from U.S. 60 on November 6, 1996, which requested that the Commission consider additional adjustments. Following an informal conference and the gathering of additional information, Commission Staff prepared an Amended Staff Report containing Staff's revised findings and recommendations regarding the proposed rates. While Commission Staff found that U.S. 60 could justify an increase in its annual operating revenues of \$52,358, an increase of 12.8 percent over normalized revenue from water sales of \$409,388, Commission Staff recommended that U.S. 60's proposed rates be accepted. U.S. 60's proposed rates would result in an increase in its annual operating revenues of \$47,702, an increase of 11.65 percent over normalized test-year revenues, and produce a positive cash flow of \$62,077.

By Order dated March 3, 1997, the Commission advised U.S. 60 that comments on the Amended Staff Report or requests for a hearing or informal conference must be submitted no later than March 18, 1997, or this case would be submitted to the Commission for a decision. The Order also stated that if all parties were to provide a written statement confirming that they are in agreement with the rates recommended in the Amended Staff Report, the case would be immediately submitted to the Commission for a decision. On March 7, 1997, the Commission received a written statement from U.S. 60 accepting Staff's recommended rates which would result in an 11.65 percent increase to annual revenues in the amount of \$47,702.

The Commission, after consideration of the evidence of record and being sufficiently advised, finds that:

1. The recommendations and findings contained in the Amended Staff Report, as well as those contained in the original Staff Report that do not conflict with those contained in the Amended 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, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for U.S. 60 and will produce gross annual revenues from the sale of water of \$457,090. The rates will allow U.S. 60 sufficient revenues to meet its operating expenses.

IT IS THEREFORE ORDERED that:

1. The rates in Appendix A are approved for service rendered by U.S. 60 on and after the date of this Order.

2. Within 30 days of the date of this Order, U.S. 60 shall file with the Commission its revised tariff setting out the rates approved herein in conformance with 807 KAR 5:011.

Done at Frankfort, Kentucky, this 14th day of March, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt
Chairman

Ed J. [Signature]
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-318 DATED MARCH 14, 1997.

The following rates and charges are prescribed for the customers in the area served by U.S. 60 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.

5/8" Meter

First	1,000	Gallons	\$10.60	Minimum Bill
Next	2,000	Gallons	5.20	Per 1,000 Gallons
Next	2,000	Gallons	4.10	Per 1,000 Gallons
All Over	5,000	Gallons	3.56	Per 1,000 Gallons

1" Meter

First	5,000	Gallons	\$29.20	Minimum Bill
All Over	5,000	Gallons	3.56	Per 1,000 Gallons

2" Meter

First	25,000	Gallons	\$100.43	Minimum Bill
All Over	25,000	Gallons	3.56	Per 1,000 Gallons

Bulk Sales

\$ 1.95	Per 1,000 Gallons
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