

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF THE EAST     ) CASE NO.  
PENDLETON WATER DISTRICT            ) 97-084

O R D E R

On February 18, 1997, the East Pendleton Water District ("East Pendleton") submitted an application for an increase in water rates pursuant to 807 KAR 5:001, Section 10, General Rate Adjustments in Existing Rates. However, due to filing deficiencies, East Pendleton's application was not considered filed until April 2, 1997. East Pendleton's proposed rates would produce additional annual water revenues of \$82,394, an increase of 17.2 percent over Commission Staff's ("Staff") normalized test period water revenues of \$480,379.

Staff conducted a limited review of East Pendleton's test-period financial records and issued its report on November 14, 1997. In its report, Staff recommended the Commission grant East Pendleton an increase in its rates that would generate additional annual water revenue of \$72,247, an increase of 15 percent over Staff's normalized test period water revenue of \$480,379.

In its November 14, 1997 Order, the Commission requested that all parties submit written comments on the Staff Report within 10 days from the date of the Order or 90 days from the date the application was filed, whichever is later. East Pendleton submitted its acceptance of the Staff Report recommendations on November 21, 1997.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that the rates in Appendix A will produce gross annual water revenue of \$552,626, and that they are the fair, just, and reasonable rates for East Pendleton. It further finds that these rates will allow East Pendleton sufficient revenues to meet its operating expenses, and provide for future equity growth, including provisions for servicing its debt.

IT IS THEREFORE ORDERED that:

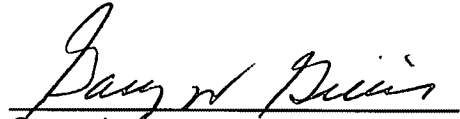
1. The recommendations and findings contained in the Staff Report are adopted as the Commission's findings and incorporated by reference as if fully set out herein.
2. The rates proposed by East Pendleton will produce an increase in annual water revenues above the level deemed reasonable herein and therefore are denied.
3. The rates contained in Appendix A will produce gross annual water revenue of \$552,626 which the Commission has found to be fair, just, and reasonable, and therefore those rates are approved for service rendered by East Pendleton on and after the date of this Order.
4. Within 30 days of the date of this Order, East Pendleton shall file with the Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 15th day of December, 1997.

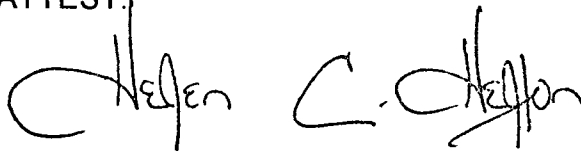
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:



Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-084 DATED DECEMBER 15, 1997

The following rates and charges are prescribed for the customers in the area served by East Pendleton 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.

#### Monthly Rates:

##### 5/8-Inch - 3/4-Inch Meter

First	1,000	Gallons	\$16.00	Minimum Bill
Next	99,000	Gallons	6.09	Per 1,000 Gallons
Over	100,000	Gallons	5.30	Per 1,000 Gallons

##### 1-1/4 Inch Meter

First	20,000	Gallons	\$131.71	Minimum Bill
Next	80,000	Gallons	6.09	Per 1,000 Gallons
Over	100,000	Gallons	5.30	Per 1,000 Gallons

##### 2-Inch Meter

First	100,000	Gallons	\$618.91	Minimum Bill
Over	100,000	Gallons	5.30	Per 1,000 Gallons

##### 3-Inch Meter

First	100,000	Gallons	\$618.91	Minimum Bill
Over	100,000	Gallons	5.30	Per 1,000 Gallons