COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN ROCKCASTLE) WATER ASSOCIATION FOR AN INCREASE OF) ITS CONNECTION FEES FOR WATER SERVICE)

CASE NO. 97-362

<u>ORDER</u>

On August 14, 1997, Western Rockcastle Water Association ("Western Rockcastle") applied to the Commission for authority to revise its connection fee for new 5/8" x 3/4" meters from \$350 to \$480.

On August 21, 1997, Western Rockcastle was notified by letter from the Commission's Executive Director's office of deficiencies in its original filing. On September 5, 1997, Western Rockcastle filed financial statements with the Commission which cured the filing deficiencies.

Western Rockcastle provided adequate cost justification for the non-recurring charges proposed in the application. Substantial increases in costs of materials and labor were cited as the basis for the increase.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed charge is equal to the expenses incurred to provide the associated service.

2. The charge set forth in Appendix A, attached hereto and incorporated herein, is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The charge in Appendix A is approved for service rendered on and after the date of this Order.

2. Within 30 days of the date of this Order, Western Rockcastle shall file its revised tariff sheet setting out the charge approved in this Order.

Done at Frankfort, Kentucky, this 17th day of October, 1997.

PUBLIC SERVICE COMMISSION

Steathet

Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-362 DATED OCTOBER 17, 1997

The following rates and charges are prescribed for the customers in the area served by Western Rockcastle Water Association. 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.

Tap-on Fee 5/8 x 3/4 Inch Meter:

\$480