

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF ROCKCASTLE COUNTY)
WATER ASSOCIATION FOR AN ADJUSTMENT)
OF RATES PURSUANT TO THE ALTERNATIVE) CASE NO. 97-329
RATE FILING PROCEDURE FOR SMALL)
UTILITIES)

O R D E R

On July 23, 1997, the Rockcastle County Water Association ("Rockcastle Water") submitted its application seeking to increase its rates pursuant to 807 KAR 5:076, the Alternative Rate Adjustment Procedure for Small Utilities. However, due to filing deficiencies, Rockcastle Water's application was not considered filed until August 5, 1997.

Rockcastle's proposed rates produce additional annual water revenue of \$11,199, an increase of 51.6 percent over Commission Staff's (Staff's) normalized test period water revenue of \$21,700. Staff conducted a limited review of Rockcastle Water's test-period financial records and issued its report on November 14, 1997, which recommended the Commission grant Rockcastle Water's requested increase in annual water revenue of \$11,199.

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. Rockcastle Water did not file a response to the Staff Report recommendations within the prescribed

comment period; therefore, the case has been submitted to the Commission for a decision.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds 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 in Appendix A will produce gross annual water revenue of \$32,899 and are the fair, just, and reasonable rates for Rockcastle Water. These rates will allow Rockcastle Water sufficient revenues to meet its operating expenses, and provide for future equity growth, including provisions for servicing its debt.

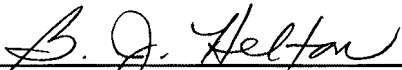
IT IS THEREFORE ORDERED that:

1. The rates proposed by Rockcastle Water and contained in Appendix A are approved for service rendered by Rockcastle Water on and after the date of this Order.

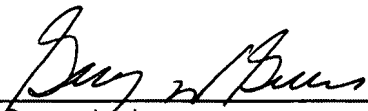
2. Within 30 days of the date of this Order, Rockcastle Water shall file with the Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 8th day of January, 1998.

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. 97-329 DATED JANUARY 8, 1998

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

MONTHLY RATES:

First	2,000 gallons	\$16.93 Minimum Bill
All Over	2,000 gallons	\$ 6.19 per 1,000 gallons