

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE HERRINGTON )  
HAVEN WASTEWATER CO., INC. FOR A )  
RATE ADJUSTMENT PURSUANT TO THE ) CASE NO. 2000-299  
ALTERNATIVE RATE FILING PROCEDURE )  
FOR SMALL UTILITIES )

ORDER

On April 26, 2000, the Herrington Haven Wastewater Co., Inc. ("Herrington Haven") filed its application seeking to increase its water rates pursuant to 807 KAR 5:076. Herrington Haven proposed to increase its residential sewer rate from \$27.45 to \$39.02, approximately 42.1 percent. The proposed rates would generate annual revenues of \$11,238, \$3,330 above the Commission Staff's ("Staff") normalized operating revenue from sewer rates of \$7,908.

On December 7, 2000, the Commission released a Report in which Staff recommended that the residential sewer rate increase from \$27.45 to \$35.49, approximately 29.3 percent. Staff's proposed rate would generate annual revenues of \$10,221, \$2,313 above Staff's normalized operating revenue. All parties were directed to file any written comments upon Staff's findings and recommendations or to request a conference or hearing no later than December 18, 2000. As of this date, the Commission has received no such comments or requests.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record and are reasonable.

2. The rate proposed by Herrington Haven would produce revenue in excess of that found reasonable herein and should be denied as unreasonable.

3. The rate in Appendix A will produce annual revenue from residential sewer rates of \$10,221.

IT IS THEREFORE ORDERED that:

1. The recommendations and findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rate proposed by Herrington Haven is denied.

3. The rate in Appendix A is approved for service rendered by Herrington Haven on and after the date of this Order.

4. Within 30 days of the date of this Order, Herrington Haven shall file with the Commission its revised tariff setting out the rate approved herein.

5. Three years from the date of this Order Herrington Haven shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rate approved herein is sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 8<sup>th</sup> day of January, 2001.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2000-299 DATED JANUARY 8, 2001

The following rates and charges are prescribed for the customers in the area served by Herrington Haven Wastewater Co., Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Residential Flat Monthly Sewer Rate

\$ 35.49