

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO SIMPSON COUNTY)
WATER DISTRICT S RATE SCHEDULE FOR) CASE NO. 2002-00041
SERVICES WITH PRIVATE FIRE PROTECTION)
FACILITIES)

ORDER

On December 7, 2001, the Commission in Administrative Case No. 385¹ directed, *inter alia*, that all water utilities who assess a minimum monthly rate for fire protection services that includes a commodity component revise their rate schedules to eliminate that commodity component. In response to this directive, Simpson County Water District (Simpson District) has submitted a rate schedule for services with fire protection facilities.

Having reviewed the proposed rate schedule, the Commission finds that, pursuant to KRS 278.260(1), an investigation should be initiated to determine whether the revised fire protection services rate schedule excludes all commodity component costs. During the pendency of this investigation, Simpson District's revised fire protection services rate will remain in effect. Should the Commission determine that revisions to this rate are required, such revisions will be prospective.

¹ Administrative Case No. 385, An Investigation Into Fees for Fire Protection Services (Ky.PSC Dec. 7, 2001).

IT IS THEREFORE ORDERED that:

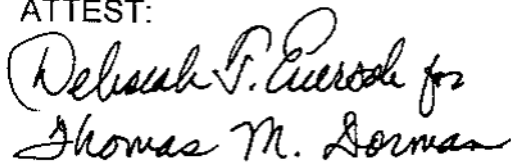
1. This proceeding is initiated to determine whether Simpson District's rate schedule for services with fire protection facilities excludes all commodity component costs.

2. Simpson District shall file with the Commission, within 20 days of the date of this Order, the original and 8 copies of its response to the interrogatories appended to this Order. Each response should be placed in a bound volume with each item tabbed. When a number of sheets are required for a response, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Careful attention shall be given to copied material to ensure its legibility.

Done at Frankfort, Kentucky, this 12th day of February, 2002.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00041 DATED February 12, 2002

1. Provide a detailed description of how Simpson District calculated the commodity component of its minimum charge. This description should include all workpapers, show all calculations, and state all assumptions used to identify the commodity component.
2. Identify and describe all methods that Simpson District considered when it calculated the commodity component of its minimum charge. For each method that Simpson District chose not to use, explain why this method was not used.
3.
 - a. Identify each cost component of Simpson District's minimum charge for water service and state the level of this component.
 - b. Provide all workpapers, show all calculations, and state all assumptions used to identify each cost component and determine its level.
4. Identify all persons responsible for the preparation of the private fire protection facilities rate and state their position with Simpson District.