

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY )  
WATER DISTRICT FOR (A) AN ADJUSTMENT )  
OF RATES; (B) A CERTIFICATE OF PUBLIC ) CASE NO. 2002-00105  
CONVENIENCE AND NECESSITY FOR )  
IMPROVEMENTS TO WATER FACILITIES IF )  
NECESSARY; AND (C) ISSUANCE OF BONDS )

O R D E R

On April 30, 2003, the Commission issued an Order approving a rate adjustment for Northern Kentucky Water District ( Northern District ). In that Order, we found that Northern District s requested revenues from water sales of \$25,952,803 are sufficient to meet its adjusted test-period operating expenses and the debt service requirements of its bond ordinances. We further found that Northern District s *pro forma* operations could support a total revenue requirement from water sales of \$27,737,179. While we approved Northern District s requested revenues of \$25,952,803, we directed the utility to notify the Commission and to publish notice to the public, pursuant to 807 KAR 5:011, Section 8,<sup>1</sup> if it wished to adjust its rates to generate annual revenues of \$27,737,179.<sup>2</sup>

On May 8, 2003, Northern District advised the Commission by letter that it intended to place the higher rates into effect on June 10, 2003, and requested that the

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<sup>1</sup> 807 KAR 5:011, Section 8, requires that, if publication is made in a newspaper of general circulation, it must be published once a week for 3 consecutive weeks.

<sup>2</sup> The Commission set forth in Appendix E of its April 30, 2003 Order the rates necessary to generate annual revenues of \$27,737,179.

Commission amend its Order to permit its public notice to be published one time rather than the required three times. In support of its request, Northern District states that the publication made when filing the application included a statement that the Commission could approve rates higher than those proposed by the Northern District. Therefore, its customers were already on notice that the Commission could set rates higher than those proposed.

Having considered the notice and request, the Commission finds that Northern District's request should be considered a petition for rehearing and that its request should be granted. The Commission finds that the publication requirement ensures that all interested parties have a reasonable opportunity to receive notice of a proceeding and notice of his or her right to intervene in that proceeding. Since the Commission thoroughly reviewed the rate application of Northern District and approved the rate Northern District now intends to place into effect, the Commission finds that the publication requirement of 807 KAR 5:011, Section (8), is not necessary and that Northern District's request should be granted.

IT IS THEREFORE ORDERED that:

1. Northern District's petition for rehearing is granted.
2. The Commission's Order of April 30, 2003 is amended to allow Northern District to publish one time notice of its intent to place into effect the rates approved in Appendix E of that Order.
3. Within 30 days of the date of this Order, Northern District shall file with the Commission proof of publication.

4. All other provisions of the April 30, 2003 Order not inconsistent herewith shall remain in full force and effect.

Done at Frankfort, Kentucky, this 20<sup>th</sup> day of May, 2003.

By the Commission

ATTEST:

  
Executive Director