

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MADISON COUNTY UTILITY	)	
DISTRICT (A) FOR AUTHORITY TO FINANCE	)	
CONSTRUCTION IN THE APPROXIMATE	)	
AMOUNT OF \$3,000,000; (B) A CERTIFICATE OF	)	CASE NO. 2002-00184
CONVENIENCE AND NECESSITY FOR THE	)	
CONSTRUCTION OF WATER FACILITIES; AND	)	
(C) ADJUSTMENT OF RATES	)	
	)	

O R D E R

On January 27, 2003, the Commission issued an Order approving Madison County Utility District s ( Madison District ) proposed adjustment of its retail water service rates. In that Order, we found that, based upon Madison District s adjusted test-year operations, Madison District required annual revenues of \$2,938,976 to meet its annual pro forma expenses, debt service coverage requirements, and depreciation requirements. We further found that, while Madison District s proposed rates would generate annual revenues of \$2,807,317, those rates would generate sufficient revenues to allow the utility its cash needs.

While we approved Madison District s proposed rates, we directed the utility to notify the Commission and the public if it wished to adjust its rates to generate annual revenues of \$2,938,976.<sup>1</sup> On February 3, 2003, Madison District advised the Commission in writing that it would place into effect upon notice to its customers rates that would generate annual revenues of \$2,938,976.

Nothing contained in our Order of January 27, 2003 authorizes Madison District to change any rates other than those that the utility had previously proposed. However,

we find that Madison District's notice should be considered as a petition for rehearing and as a request for authority to assess rates that will produce annual revenues of \$2,938,976. We further find that the petition for rehearing should be granted. Upon the filing of proof with the Commission of notice of publication of Madison District's request for rates that generate annual revenues of \$2,938,976, we will consider the merits of the request for the revised rates.

IT IS THEREFORE ORDERED that:

1. Madison District's petition for rehearing is granted.
2. Madison District shall publish notice of request for rates that generate annual revenues of \$2,938,976 in accordance with 807 KAR 5:001, Sections 10(3) and (4).
3. Within 30 days of the date of this Order, Madison District shall file with the Commission proof of publication in accordance with 807 KAR 5:001, Sections 10(3) and (4).

Done at Frankfort, Kentucky, this 10<sup>th</sup> day of February, 2003.

By the Commission

ATTEST:

  
Executive Director

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<sup>1</sup> We set forth in Appendix E of our Order the rates necessary to generate annual revenues of \$2,938,976.