

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLACK MOUNTAIN	)	
UTILITY DISTRICT FOR APPROVAL OF AN	)	
ADJUSTMENT OF RATES PURSUANT TO	)	CASE NO.
THE ALTERNATIVE RATE FILING	)	2004-00038
PROCEDURE FOR SMALL UTILITIES	)	

O R D E R

On February 23, 2004, Black Mountain Utility District (“Black Mountain”) filed its application for Commission approval of its proposed water rates. Black Mountain proposed to increase its rates to produce additional revenues of \$108,122, an increase of 20 percent over normalized revenues of \$540,610. This proposal, which does not fully fund depreciation expense, would increase Black Mountain’s average monthly bill from \$35.10 to \$42.15 for Black Mountain’s Water Rate A customers, and it would increase the average bill for Water Rate B customers from \$26.25 to \$31.54.

By Order dated March 23, 2004, the Commission issued a Staff Report that was prepared upon review of Black Mountain’s test-year operations. Staff’s report recommended that the requested increase be granted. The Order granted all parties 10 days to file written comments regarding the Staff Report or to request a hearing or informal conference. By letter dated March 29, 2004, the Attorney General indicated that he had no objection to the submission of this matter to the Commission for a decision.

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, are reasonable, and should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$648,732.

IT IS THEREFORE ORDERED that:

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

2. The rates in Appendix A are approved for service rendered by Black Mountain on and after the date of this Order.

3. Within 30 days of the date of this Order, Black Mountain shall file with the Commission its revised tariff setting out the rates approved herein.

4. Three years from the effective date of this Order, Black Mountain shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 7<sup>th</sup> day of April, 2004.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00038 DATED April 7, 2004

The following rates and charges are prescribed for the customers in the area served by Black Mountain Utility District. 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.

#### **Water Rate A**

For the following systems served under PWS# 0480265 – Coxton/Kitts; PWS# 0480277 – Dayhoit; PWS# 0480461 – Sukey Ridge; PWS# 0480650 - Rosspoint

First 2,000 gallons	\$20.46 Minimum Bill
Over 2,000 gallons	7.23 Per 1,000 gallons

**Wholesale Rate**                      \$3.91 Per 1,000 gallons

#### **Water Rate B**

For the following systems served under PWS# 0480498 and PWS# 0480603

First 2,000 gallons	\$16.21 Minimum Bill
Over 2,000 gallons	5.11 Per 1,000 gallons