

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE GRANT COUNTY)	
SANITARY SEWER DISTRICT FOR)	CASE NO. 2005-00314
AUTHORITY TO ADJUST RATES)	

O R D E R

On December 27, 2005, Grant County Sanitary Sewer District ("Grant County") filed an application for Commission approval of a proposed increase in sewer rates. Grant County had originally submitted an application for approval of initial operations on July 25, 2005, subsequent to its assumption of the sanitary sewer system previously operated by the city of Crittenden. However, Grant County's application included a proposed tariff increasing rates to its customers; therefore, Grant County was compelled to file additional information on December 27 to conform to the Commission's rate case filing requirements. Grant County proposed to increase its annual revenue from sewer rates by \$178,941, an increase of 45.7 percent over test-period revenue from rates of \$391,879. This proposal would increase Grant County's average residential monthly bill from \$22.50 to \$45.81.

The evidence of record indicates that Grant County assumed from the city of Crittenden a sewer system in substantial disrepair. Grant County indicated during this proceeding that the substantial rate increase was necessary to improve the operations of the sewer system and to pay normal operating expenses and debt service. Grant County has contracted with the Bullock Pen Water District to provide management and operational services needed to maintain the sewer system.

By Order dated March 23, 2006, the Commission issued a Staff Report that was prepared upon review of Grant County's operations for the 12 months ended May 31, 2005. Staff's report recommended that the requested increase be granted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No such requests have been received.

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 sewer service of \$596,117.

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 Grant County on and after the date of this Order.

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

Done at Frankfort, Kentucky, this 12th day of April, 2006.

By the Commission

ATTEST:


Executive Director

Case No. 2005-00314

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00314 DATED April 12, 2006

The following rates and charges are prescribed for the customers in the area served by Grant County Sanitary Sewer 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.

Monthly Sewer Rates

5/8" X 3/4" Water Meter

First	2,000 gallons	\$21.06 Minimum Bill
Next	3,000 gallons	8.25 per 1,000 gallons
Next	5,000 gallons	6.76 per 1,000 gallons
Over	10,000 gallons	5.31 per 1,000 gallons

1" Water Meter

First	5,000 gallons	\$45.81 Minimum Bill
Next	5,000 gallons	6.76 per 1,000 gallons
Over	10,000 gallons	5.31 per 1,000 gallons

1 1/2" Water Meter

First	10,000 gallons	\$79.61 Minimum Bill
Over	10,000 gallons	5.31 per 1,000 gallons

2" Water Meter

First	20,000 gallons	\$132.71 Minimum Bill
Over	20,000 gallons	5.31 per 1,000 gallons