

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN MASON COUNTY )	
WATER DISTRICT FOR A RATE ADJUSTMENT )	CASE NO.
PURSUANT TO THE ALTERNATIVE RATE FILING )	2006-00015
PROCEDURE FOR SMALL UTILITIES )	

ORDER

On February 8, 2006, Western Mason County Water District ("Western Mason") filed an application for approval of a proposed increase in rates. Western Mason proposed to increase its annual revenue from water rates by \$40,349, an increase of 13.96 percent over normalized revenue including interest income of \$289,050. This proposal would increase the average monthly bill for 5,000 gallons of usage from \$22.68 to \$26.15, an increase of 15.3 percent.

The Office of the Attorney General and residential customers John Delong and Danny Allison requested and were granted intervention in this case. The Commission also received three additional letters from residential customers protesting the proposed increase.

By Order dated March 24, 2006, the Commission issued a Staff Report that was prepared upon review of Western Mason's test-year operations. 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 comments or 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 water service of \$329,399.

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 Western Mason on and after the date of this Order.

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

4. Three years from the effective date of this Order, Western Mason 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 19<sup>th</sup> day of April, 2006.

By the Commission

ATTEST:



Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00015 DATED April 19, 2006

The following rates and charges are prescribed for the customers in the area served by Western Mason County Water 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 Water Rates

First	2,000 gallons	\$14.72 Minimum Bill
Next	8,000 gallons	3.81 per 1,000 gallons
Over	10,000 gallons	2.65 per 1,000 gallons
Bulk Sales	\$2.76 per 1,000 gallons	