

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SHARPSBURG)
WATER DISTRICT FOR AN ADJUSTMENT) CASE NO. 2010-00128
OF WATER RATES)

ORDER

On March 24, 2010, Sharpsburg Water District ("Sharpsburg") filed its application for Commission approval of proposed water service rates and to eliminate a \$5 monthly surcharge assessed to each of the approximately 150 customers receiving service through the 1996 and 2004 construction projects funded by the Kentucky Department of Agriculture Rural Development. The proposed rates will generate additional annual revenues of \$131,062, a 23.59 percent increase in normalized test year sales from water service rates of \$555,523, and will replace all revenues lost as a result of eliminating the \$5 surcharge. The proposed rates would increase the monthly bill of a customer using 5,000 gallons through a 5/8" x 3/4" meter connection from \$32.15 to \$39.75, a \$7.60 increase.

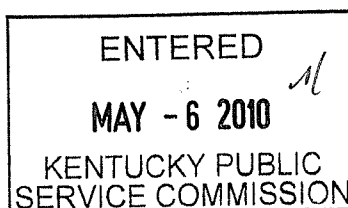
Commission Staff performed a limited financial review of Sharpsburg's operations and prepared a Staff Report that was issued by Order dated April 23, 2010. Staff's report recommended that the Commission approve the rates requested in Sharpsburg's application as well as the request to eliminate the \$5 surcharge. The Order issuing the report granted all parties 10 days to comment or request an informal conference or hearing. The Commission has not received any comments or requests.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that the rates proposed by Sharpsburg and shown in this Order in the Appendix are fair, just, and reasonable.

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 proposed by Sharpsburg and contained in the Appendix to this Order are approved for service rendered by Sharpsburg on and after the date of this Order.
3. The \$5 monthly surcharge currently shown in Sharpsburg's tariff is cancelled and shall no longer be effective.
4. Within 30 days of the date of this Order, Sharpsburg shall file with the Commission its revised tariffs setting out the rates approved herein and the cancellation of the \$5 surcharge.

By Commission



ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00128 DATED **MAY - 6 2010**

The following rates and charges are prescribed for the customers in the area serviced by Sharpsburg 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

5/8" x 3/4" Meter

First	2,000	gallons	\$23.31 minimum bill
Next	3,000	gallons	5.48 per 1,000 gallons
Next	5,000	gallons	4.86 per 1,000 gallons
Over	10,000	gallons	4.61 per 1,000 gallons

1" Meter

First	5,000	gallons	\$39.73 minimum bill
Next	5,000	gallons	4.86 per 1,000 gallons
Over	10,000	gallons	4.61 per 1,000 gallons

2" Meter

First	16,000	gallons	\$91.68 minimum bill
Over	16,000	gallons	4.61 per 1,000 gallons

Schools

First	50,000	gallons	\$248.42 minimum bill
Over	50,000	gallons	4.61 per 1,000 gallons

Bulk Loading Station

\$9.00 per 1,000 gallons

The surcharge described below, as it appears in Sharpsburg's current tariff, is cancelled.

A \$5 per month per customer debt service surcharge is added to the minimum bill for all 1996 and 2004 USDA/RD project customers.

Ms. Gayle Haney
Manager/Distribution Operator
Sharpsburg Water District
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