

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE )  
REASONABLENESS OF THE EXISTING RATES ) CASE NO. 2008-00369  
OF DELAPLAIN DISPOSAL COMPANY )

ORDER

Delaplain Disposal Company (“Delaplain”), a Kentucky corporation, owns and operates facilities that are used in the collection, transmission, and treatment of sewage for the public for compensation in Scott County, Kentucky, and is therefore a utility subject to Commission jurisdiction.<sup>1</sup>

KRS 278.030(1) provides that “[e]very utility may demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person.”

KRS 278.260(1) provides that the Commission may investigate the rates of any utility to determine if such rates are “unreasonable or unjustly discriminatory.”

On December 31, 2007, Delaplain entered into an agreement with the Attorney General of the Commonwealth of Kentucky (“AG”) to adjust its rates to produce approximately \$150,000 less in annual revenues. The parties to this Agreement subsequently agreed to rates that they assert are sufficient to effect the reduction in revenues. The AG subsequently submitted this Agreement to the Commission, but made no formal complaint to implement the Agreement’s terms.

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<sup>1</sup> KRS 278.010(3)(f); KRS 278.040.

On September 11, 2008, the Commission established this proceeding to determine whether Delaplain's existing rates are unreasonable and should be adjusted to the rates set forth in the Agreement between the utility and the AG. We further set this matter for hearing on October 3, 2008. On September 23, Delaplain filed a waiver of its right to a hearing in this matter and further agreed to the entry of an Order adjusting its rates to the levels set forth in its Agreement with the AG. It further requested that such adjustment become effective on October 1, 2008.

The Commission notes that, pursuant to the Agreement's terms, Delaplain will, after the Commission's acceptance of the rates set forth in the Agreement, apply for a rate adjustment using the Commission's Alternative Rate Filing procedures.<sup>2</sup> The AG and Delaplain expect to rely upon Commission Staff's assistance in the preparation of such application.<sup>3</sup>

Having reviewed the Agreement, Delaplain's response to our initial Order, and Delaplain's recent annual reports to the Commission, the Commission finds that:

1. Delaplain's existing rates are producing revenues in excess of those necessary to meet operating expenses and provide for reasonable equity growth.
2. Delaplain's existing rates are excessive and unreasonable and should not be assessed for service rendered on and after October 1, 2008.
3. The rates set forth in Appendix A are fair, just, and reasonable and should be assessed for service rendered on and after October 1, 2008.

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<sup>2</sup> 807 KAR 5:076.

<sup>3</sup> See Agreement at ¶¶ 11 and 12; 807 KAR 5:076, Section 3.

IT IS THEREFORE ORDERED that:

1. Delaplain shall not assess its existing rates for service rendered on and after October 1, 2008.

2. Delaplain shall assess the rates set forth in Appendix A for service rendered on and after October 1, 2008.

3. Within 20 days of the date of this Order, Delaplain shall file with the Commission revised tariff sheets that reflect the rates set forth in Appendix A and that conform to 807 KAR 5:011, Sections 3 through 6.

Done at Frankfort, Kentucky, this 30<sup>th</sup> day of September, 2008.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00369 DATED SEPTEMBER 30, 2008

The following rates and charges are prescribed for the customers in the area served by Delaplain Disposal Company. All other rates and charges not specifically stated herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Residential Customers	\$10.73 per Month
Commercial/Industrial Customers	\$7.63 gallons per 1,000 gallons