

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF THE WHITLEY) CASE NO. 2000-001
COUNTY WATER DISTRICT)

ORDER

On January 4, 2000, Whitley County Water District No. 1 ("Whitley District") applied for an increase in its rates for water service that would generate additional annual revenues of \$115,872, or 17.2 percent over normalized test year revenues from water sales.

On June 19, 2000, Commission Staff submitted to the Commission a written report of its findings and recommendations on Whitley District's proposed rate adjustment. This report is based upon Commission Staff's review of Whitley District's operations for Calendar Year 1998. In its report, Commission Staff found that Whitley District requires a revenue increase of \$105,127, or 15.6 percent over normalized test year revenues from water sales, to meet its reasonable operating expenses and maintain a 1.2 debt service coverage. Commission Staff further proposed rates that would produce its recommended revenue increase.

On June 19, 2000, the Commission directed Whitley District to submit within 10 days any written comments on the Commission Staff's findings and recommendations or request for conference or hearing in this matter. We further ordered that, should no request for conference or hearing be received within that period, this matter would stand

submitted for decision. As of this date, we have received no comment or request for conference or hearing.

The Commission, after consideration of the evidence of record and being advised, finds that:

1. The findings and recommendations contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates set forth in Appendix A to this Order are the fair, just and reasonable rates for Whitley District and will produce water revenues of \$792,502 based upon normalized test year sales. These rates will allow Whitley District sufficient revenues to meet its operating expenses, and provide for future equity growth, including provisions for servicing its debt.

3. Whitley District's proposed rates will generate revenues in excess of those found reasonable and should be denied.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Whitley District in its application are denied.


2. The rates set forth in Appendix A of this Order are approved for water service rendered by Whitley District on and after the date of this Order.

3. Within 20 days of the date of this Order, Whitley District shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 18th day of July, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2000-001 DATED JULY 18, 2000

The following rates and charges are prescribed for the customers in the area served by Whitley 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 1,000 gallons	\$14.23 Minimum Bill
Next 4,000 gallons	5.10 per 1,000 gallons
Next 95,000 gallons	4.67 per 1,000 gallons
Over 100,000 gallons	4.25 per 1,000 gallons
Non-metered	\$34.63 per month