

COMMONWEALTH OF KENTUCKY

BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of

North Mercer Water District)
Petition and Application for) Case No. 7684
Increase in Water Rates)

I N T E R I M O R D E R

PREFACE

On December 14, 1979, North Mercer Water District, the Applicant filed with this Commission its duly verified application seeking an increase in its water service rates. The applicant on February 5, 1980 amended its original application to include the increase in wholesale water cost from its supplier, the City of Harrodsburg which was to become effective on March 1, 1980.

The case was set for hearing at the Commission's offices in Frankfort, Kentucky, February 27, 1980. All parties of interest were notified and the Consumer Protection Division of the Attorney General's Office intervened in the matter. At that time certain requests for additional information were made by the Commission staff. As of the date of this Order, the applicant had not provided all of the additional information required in this matter.

At the hearing, the Applicant's petition was verbally amended to request an immediate increase in its rates on the basis that the city of Harrodsburg's recent imposition of increase in charges for wholesale water had created a financial crisis for the Applicant.

This Order addresses the Applicant's request for an immediate increase in its rates and defers the matters of a final rate determination in this matter until all requested information has been received and duly considered by this Commission.

FINDINGS IN THIS MATTER

The Commission, after a review of the record and being advised, is of the opinion and finds:

1. That the Applicant purchases water from the city of Harrodsburg for resale to its customers. Further that the city of Harrodsburg has increased its wholesale rate from Two Hundred Forty Five Dollars and Eighty-Eight Cents (\$245.88) for the first sixty thousand (60,000) cubic feet of water with a straight-line rate of Thirty Cents (\$.30) per one hundred (100) cubic feet above the base rate to Seven Hundred Two Dollars and Seventy-Five Cents (\$702.75) for the first sixty thousand (60,000) cubic feet of water purchased, per meter with a straight-line rate of Eighty Cents (\$.80) per one hundred (100) cubic feet for quantities of water purchased above the base rate.

2. That because of the increase in its purchased water cost, the Applicant is experiencing a financial crisis and is in dire need of immediate relief. Further, that this Commission should provide the needed relief through the granting of an immediate increase in rates with said increase based on the actual increase in purchased water cost.

3. That the rates prescribed and set forth in Appendix "A", attached hereto, should provide for an annual increase in revenues of approximately \$58,338 which should be adequate to cover the annual increase in purchased water cost. Further, that during the interim period from March 1, 1980 till the date of a final Order in this matter, said Appendix "A" rates should be the rates charged for water services rendered by the Applicant.

ORDERS IN THIS MATTER

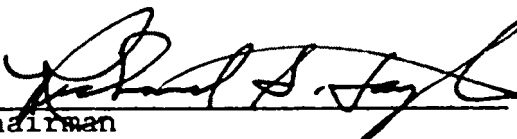
The Commission, on the basis of the matters hereinbefore set forth, and the evidentiary record in this case:

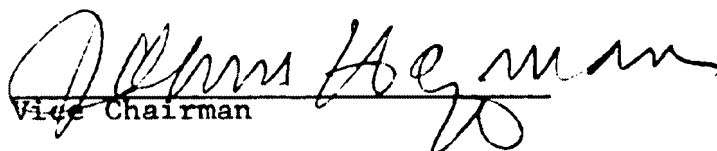
HEREBY ORDERS that the rates prescribed and set forth in Appendix "A", attached hereto and made a part hereof are hereby fixed as the rates to be charged by the Applicant for water services rendered on and after March 1, 1980.

IT IS FURTHER ORDERED that the Appendix "A" rates shall be and hereby are set forth as "Interim Rates" to remain in effect until all aspects of this matter have been duly considered and a final Order entered by this Commission.

Done at Frankfort, Kentucky, this 5th day of March, 1980.

UTILITY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE UTILITY REGULATORY
COMMISSION IN CASE NO. 7684 DATED MARCH 5, 1980

The following rates are hereby prescribed for all customers of the North Mercer Water District. All other rates and charges not mentioned specifically herein shall remain the same as those in effect prior to the date of this Order.

Monthly Rate

First	1,000 gallons	\$5.00	(Minimum bill)
Next	2,000 gallons	2.00	per 1,000 gallons
Next	2,000 gallons	1.50	per 1,000 gallons
Next	5,000 gallons	1.50	per 1,000 gallons
Over	10,000 gallons	1.50	per 1,000 gallons