

COMMONWEALTH OF KENTUCKY  
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of:

THE APPLICATION OF THE NORTH BARREN )  
WATER ASSOCIATION, INC., A NON-PROFIT )  
CORPORATION INCORPORATED PURSUANT TO )  
CHAPTER 273 OF THE KENTUCKY REVISED )  
STATUTES, WHICH HAS ITS PRINCIPLE PLACE )  
OF BUSINESS IN BARREN COUNTY, KENTUCKY, )  
FOR (1) A CERTIFICATE OF PUBLIC CONVEN- )  
IENCE AND NECESSITY AUTHORIZING AND )  
PERMITTING SAID WATER DISTRICT TO EXTEND ) CASE NO. 7717  
AND CONSTRUCT WATER LINES AND DISTRIBUTION )  
SYSTEM NEEDED TO SERVE IN THE )  
EXTENDED SERVICE DISTRICT; (2) APPROVAL )  
OF THE PROPOSED PLAN OF FINANCING SAID )  
PROJECT; AND (3) APPROVAL OF INCREASE )  
OF WATER RATES AND SCHEDULE OF WATER )  
RATES PROPOSED TO BE CHARGED BY THE )  
DISTRICT TO CUSTOMERS OF THE DISTRICT )  
AND EXTENDED LINES THEREFORE )

O R D E R

Preface

This Order supplements an Interim Order of this Commission entered April 2, 1980, in response to an application filed January 21, 1980, and the March 11, 1980, hearing in this matter.

The April 2, 1980, Interim Order granted the Utility, North Barren Water Association, Inc., a Certificate of Public Convenience and Necessity for the construction of approximately fifteen (15) miles of water lines, a pumping station, 47 customer service connections, and other miscellaneous improvements for residents of Barren County in the vicinity of Glasgow, Kentucky, and approved the Utility's proposed plan of financing in order to provide for the award of construction contracts before the date on which bids for the proposed work were scheduled to expire.

This Order addresses the adjustment of rates for water services to be rendered by the Utility and considers all other matters of the application not addressed by the Interim Order of April 2, 1980.

Test Period

The Utility has selected the twelve month period ending December 31, 1979, as the "Test-Year" and has submitted a tabulation of its

revenues and expenses for this period including its proforma adjustments thereto for the Commission's consideration in the determination of rate adjustments.

Findings In This Matter

The Commission, after consideration of all the evidence of record and being advised, is of the opinion and finds:

1. That the Utility's annual operating expenses including those of depreciation and interest are estimated to be approximately \$45,468 for the first year of operation after completion of the proposed construction.

2. That the rates proposed by the Utility and prescribed and set forth in Appendix "A", attached hereto and made a part hereof, are the fair, just, and reasonable rates to be charged by the Utility for water services provided to residents of Barren County, Kentucky. Further, that these rates should produce annual revenues of approximately \$44,520, and gross annual revenues of \$47,737 after the inclusion of other income and should provide for adequate coverage of operating expenses and servicing of long-term debts.

3. The Commission finds the following abbreviated tabulations of Test-Year and Proforma Revenues and Expenses to be reasonably representative of this Utility's operations:

<u>Item Description</u> (No. of Customers)	(216)	<u>Revenues and Expenses</u>	
		(59)	(275)
<u>REVENUES:</u>	<u>Test-Year</u>	<u>Proforma Adj.</u>	<u>Proforma</u>
1. Water Sales	\$28,562	\$15,958	\$44,520
2. Forfeited Discounts	369	-0-	369
3. Interest Income	2,848	-0-	2,848
Total Revenues	<u>\$31,779</u>		<u>\$47,737</u>
 <u>EXPENSES:</u>			
1. Purchased Water	\$ 8,062	\$ 1,770	\$9,832
2. Pumping	783	-0-	783
3. Customer Accounts	3,153	861	4,014
4. Administration & General	5,127	240	5,367
5. Depreciation:			
(a) Existing System	5,154	-0-	5,154
(b) New Project	-0-	4,980	4,980
6. Interest - Long Term Debt			
(a) Existing System	7,888	-0-	7,888
(b) New Project	-0-	7,400	7,400
7. URC Assessment	50	-0-	50
Total Expenses	<u>\$30,217</u>	<u>\$15,251</u>	<u>\$45,468</u>
 Total Income Before Debt Retirement	 \$ 1,562	 \$ 707	 \$ 2,269

ORDERS IN THIS MATTER

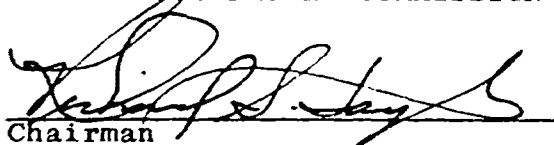
The Commission, on the basis of the matters hereinbefore set forth, and the evidentiary record in this case:

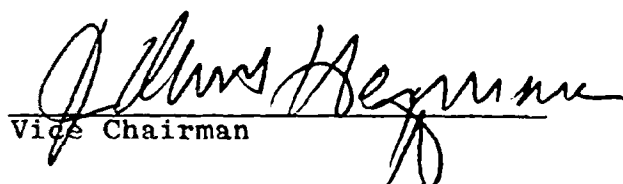
HEREBY ORDERS that the rates proposed by the Utility and as prescribed and set forth in Appendix "A", attached hereto and made a part hereof, be and they are hereby fixed as the fair, just and reasonable rates to be charged by the Utility for water services rendered on and after the date of this Order.

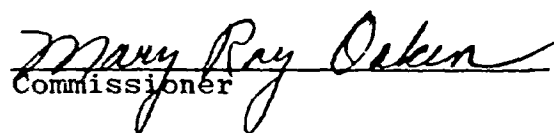
IT IS FURTHER ORDERED that the Utility shall file within thirty (30) days of the date of this Order, its revised tariff sheets setting forth the rates approved herein. Further, that copies of its "Rules and Regulations" for providing service to its customers shall be filed with said tariff sheets.

Done at Frankfort, Kentucky, this 1st day of August, 1980.

UTILITY REGULATORY COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE UTILITY REGULATORY COMMISSION  
IN CASE NO. 7717 DATED AUGUST 1, 1980.

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

<u>Gallonage Blocks Of Metered Usage</u>	<u>Monthly Rate for Each Gallonage Block</u>
First 2,000 gallons	\$7.50 (Minimum Bill)
Next 5,000 gallons	2.00 per 1,000 gallons
Next 10,000 gallons	1.50 per 1,000 gallons
Next 20,000 gallons	1.25 per 1,000 gallons
Next 20,000 gallons	1.00 per 1,000 gallons
Over 57,000 gallons	.75 per 1,000 gallons

Meter readings and customer's bills shall be to the nearest one hundred gallons of usage to provide for monthly accountability of quantity of water purchased.