

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SALT RIVER )  
WATER DISTRICT ) CASE NO. 9849

O R D E R

On January 21, 1987, Salt River Water District ("Salt River") filed an application requesting Commission approval for a 17-month extension of the monthly surcharge approved in Case No. 8782.<sup>1</sup> The original surcharge of \$1.70 per month/per customer resulted in yearly collections of approximately \$14,967. The surcharge was to be collected over a 3-year period which expired in November, 1986. The purpose of the surcharge was to enable Salt River to collect sufficient funds to pay past due bond payments of \$44,900. Salt River has informed the Commission that the unapproved surcharge extension is being billed and collected, and placed in a separate escrow account in the event of refund.

Salt River stated in its application that it was unaware of the time period involved between the initial request and final Commission approval of the rate increase. By the time the increase was granted, Salt River was in arrears on its November 1, 1983, bond principal and interest payment of \$22,858. Salt River is presently only in arrears on the November 1, 1983, payment.

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<sup>1</sup> The Application of Salt River Water District for an Adjustment of Rates, final Order issued October 13, 1983.

After reviewing the application, the Commission is of the opinion that Salt River has failed to provide adequate information proving Salt River's financial inability to pay its past due payment. Therefore, in order to establish the need for the extension of the surcharge, the Commission finds that Salt River should file the necessary financial data showing Salt River's inability to pay the past due payment of \$22,858. Such financial data should include current financial statements and any other information deemed necessary by Salt River. Furthermore, the Commission is of the opinion that the monies collected through the unapproved extension of the surcharge should continue to be placed in a separate interest bearing account for possible refund.

In addition to the aforementioned items, the Commission finds that Salt River should provide its customers proper notification in accordance with 807 KAR 5:011, Section 8(2).

IT IS THEREFORE ORDERED that:

1. The information requested herein shall be filed with this Commission on or before March 30, 1987.
2. The monies collected through the unapproved extension of the surcharge be placed in a separate interest bearing account.
3. Salt River shall provide its customers proper notification in accordance with 807 KAR 5:011, Section 8(2), by March 30, 1987.

Done at Frankfort, Kentucky, this 20th day of March, 1987.

ATTEST:

PUBLIC SERVICE COMMISSION

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Executive Director

*Richard D. Hemminger*  
For the Commission