

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 originally approved in Case No. 8782.¹ 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 requested the extension in order to collect an additional \$22,858 which had become past due to Farmers Home Administration during the original surcharge period. The surcharge extension is currently being collected and placed in a separate escrow account pending the Commission's decision in this matter.

After careful review and consideration of Salt River's 1986 financial statements, the Commission finds that Salt River is unable to pay the past due amount owed the Farmers Home

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

Administration. The Commission further finds that Salt River should be allowed to extend the surcharge granted in Case No. 8782 for an additional 17-month period ending March, 1988. The Commission finds that the surcharge is a fair, just, and reasonable rate.

Further the Commission advises Salt River that any future rate change should be requested and approved by the Commission prior to its implementation.

IT IS THEREFORE ORDERED that:

1. The surcharge extension detailed in Appendix A shall be, and hereby is, granted for the 17-month period ending March, 1988.
2. Salt River shall file with this Commission quarterly reports detailing its monthly surcharge collections and disbursements.
3. Salt River shall file within 30 days from the date of this Order its revised tariff setting out the surcharge approved herein.

Done at Frankfort, Kentucky, this 2nd day of September, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Herman, Jr.
Chairman

[Signature]
Vice Chairman

[Signature]
Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9849 DATED 9/02/87

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

SURCHARGE

A surcharge of \$1.70 per month/per customer shall be added to the basic monthly bill for a period of 17 months ending March, 1988.