

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE HARDIN COUNTY )  
WATER DISTRICT NO. 1 FOR AN IMMEDIATE )  
ORDER AUTHORIZING A GENERAL RATE ) CASE NO. 9879  
INCREASE FOR DIRECT IMPLEMENTATION OF )  
ITS RATES ON AN EMERGENCY BASIS )

O R D E R

On March 9, 1987, Hardin County Water District No. 1 ("Hardin") filed its application seeking an emergency increase in rates for metered water sales. This application was filed after a review of the financial condition of Hardin by the Commission staff suggested that Hardin submit an application for interim rate relief as soon as practicable.<sup>1</sup>

The Commission held a public hearing in its offices in Frankfort, Kentucky, on April 15, 1987, to consider Hardin's request for emergency relief. An Order was issued on May 6, 1987, granting interim rates subject to refund.

On May 5-6, 1987, the Commission staff conducted a field review of Hardin's test period financial records and pro-forma adjustments. On August 28, 1987, the staff issued a report containing its recommendations on permanent rate relief for Hardin.

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<sup>1</sup> Report on Technical Assistance, Hardin County Water District No. 1, September 11, 1986.

Neither Hardin nor the Commission sought a hearing in this matter. There were no intervenors and all requested information has been filed.

After careful review of the recommendations made by the staff, the Commission is of the opinion that Hardin will have adequate cash flow to meet its obligations and provide for future equity growth. Therefore, the Commission affirms the staff's recommended annual increase of \$218,018.

#### RATE DESIGN

Hardin proposed to change its rate design by decreasing the usage increments from 5 steps to 3. In its report, the staff found that the change in rate design proposed by Hardin more closely reflects customer usage patterns, simplifies the rate schedule, and provides an equitable distribution of the revenue increase. The rates proposed by Hardin and placed into effect on an interim basis will produce additional revenue of \$218,018 annually. Based on review of the report and evidence of record, the Commission accepts the staff's recommendation that the proposed rates and rate design be approved.

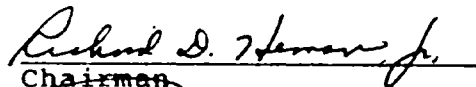
IT IS THEREFORE ORDERED that:

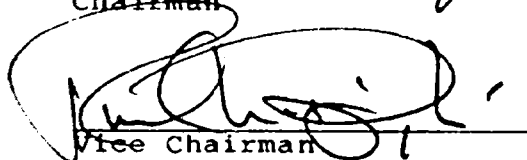
1. The rates in Appendix A are the fair, just, and reasonable rates to be charged by Hardin for service rendered on and after the date of this Order.
2. The revenues collected from interim rates as set forth by the Commission in its Order of May 6, 1987, are no longer subject to refund.

3. Hardin shall furnish the Commission within 20 days of the date of this Order its revised tariff sheet setting forth the rates and charges approved herein.

Done at Frankfort, Kentucky, this 23rd day of October, 1987.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 9879 DATED 10/23/87

The following rates and charges are prescribed for the customers in the area served by Hardin County Water District No. 1. 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.

GENERAL CUSTOMERS

<u>Usage Blocks</u>	<u>Rates</u>
First 2,000 gallons	\$5.50 Minimum Bill
Next 13,000 gallons	1.47 per 1,000 gallons
Over 15,000 gallons	1.00 per 1,000 gallons