

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH LOGAN)
WATER DISTRICT NO. 1 FOR AN)
ADJUSTMENT OF RATES PURSUANT TO) CASE NO. 9952
THE ALTERNATIVE PROCEDURE FOR)
SMALL UTILITIES)

O R D E R

On June 24, 1987, North Logan Water District No. 1 ("North Logan") filed its application seeking to increase its rates pursuant to the Alternative Rate Filing Procedure for small utilities.

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

On July 16, 1987, the Commission staff conducted a field review of North Logan's test period financial records and pro-forma adjustments. On September 21, 1987, the staff issued a report containing its recommendations. After careful review of the recommendations made by the staff, the Commission is of the opinion that a debt service coverage ratio of 1.2x is fair, just, and reasonable and will allow North Logan ample opportunity to pay its operating expenses, service its debt and provide for reasonable equity growth. Therefore, the Commission affirms the staff's recommended annual increase of \$14,929.

FINDINGS AND ORDERS

1. The rates proposed by North Logan would produce revenue in excess of that found reasonable herein and should be denied.

2. The rates in Appendix A are the fair, just, and reasonable rates to be charged by North Logan in that they should produce annual revenues of \$86,723.

3. Within 30 days of the date of this Order, North Logan should file with this Commission its revised tariff sheets setting out the rates approved herein.

IT IS THEREFORE ORDERED that:

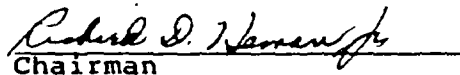
1. The rates proposed by North Logan be and they are hereby denied.

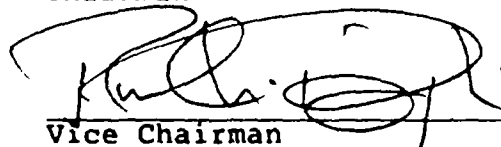
2. The rates in Appendix A are the fair, just, and reasonable rates to be charged by North Logan for service rendered on and after the date of this Order.

3. Within 30 days of the date of this Order, North Logan shall file with this Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 16th day of October, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:

Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9952 DATED 10/16/87

The following rates and charges are prescribed for the customers in the area served by North Logan 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.

RATES: Monthly

First 2,000 gallons	\$8.90 Minimum Bill
Next 2,000 gallons	3.95 per 1,000 gallons
Next 6,000 gallons	2.25 per 1,000 gallons
Next 15,000 gallons	2.05 per 1,000 gallons
Over 25,000 gallons	1.90 per 1,000 gallons