

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF NORTH NELSON)
WATER DISTRICT FOR AUTHORITY) CASE NO. 10268
TO ADJUST RATES)

O R D E R

On May 26, 1988, the North Nelson Water District ("North Nelson") filed its application seeking to increase its rates by \$40,051, a 15.57 percent increase above the revenues generated by North Nelson's existing rates.

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

On June 28, 1988, the Commission Staff ("Staff") conducted a field review of North Nelson's test period financial records. On August 15, 1988, Staff issued its report recommending that North Nelson be granted \$40,051, the full amount requested.

After careful review and investigation of Staff's recommendations, the Commission is of the opinion that after Staff's proposals are implemented North Nelson will have adequate cash flow to meet its obligations for present equity growth. Therefore, the Commission affirms Staff's recommended increase of \$40,051, and emphasizes Staff's advice regarding the monitoring of North Nelson's future financial operations.

RATE DESIGN

In its application, North Nelson proposed a new schedule of rates, but did not propose to change its present rate design. In its report, Staff concurred with North Nelson. Therefore, the Commission is of the opinion that the rates in Appendix A should be approved for services rendered.

FINDINGS AND ORDERS

1. North Nelson should be granted rates which would produce annual revenues of \$297,345.

2. The rates and charges in Appendix A are the fair, just, and reasonable rates and charges to be charged by North Nelson in that they should produce annual revenues of \$297,345.

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

IT IS THEREFORE ORDERED that:

1. North Nelson be and it hereby is granted rates to produce annual revenues of \$297,345.

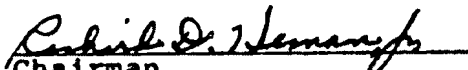
2. The rates and charges in Appendix A are the fair, just, and reasonable rates and charges to be charged by North Nelson for service rendered on and after the date of this Order.

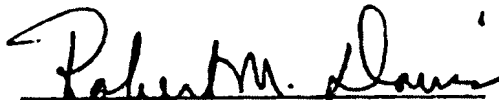
3. Within 30 days of the date of this Order, North Nelson shall file with this Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this

29th day of September, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10268 DATED 9/29/88

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

<u>Increments</u>	<u>Rate</u>
First 2,000 gallons	\$7.50 (Minimum Bill)
Next 3,000 gallons	1.90 per 1,000 gallons
Next 5,000 gallons	1.60 per 1,000 gallons
Over 10,000 gallons	1.40 per 1,000 gallons
Truck Loading Stations	4.00 per 1,000 gallons