

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BOONESBORO WATER )  
ASSOCIATION, INC. FOR AN ADJUSTMENT ) CASE NO. 10249  
OF RATES )

O R D E R

On May 10, 1988, Boonesboro Water Association, Inc. ("Boonesboro") filed an application for Commission approval of a proposed increase in its rates for water and sewer service. Boonesboro proposed rates for water service which, when adjusted for a purchased water adjustment granted in Case No. 10411,<sup>1</sup> would generate additional annual revenues of \$42,889, an increase of 14.27 percent, and rates for sewer service which would generate additional annual revenues of \$548 annually, an increase of 4.45 percent.

In June 1988, the Commission Staff conducted a field review of Boonesboro's test-period financial records. Based upon this review, Commission Staff issued a report on November 22, 1988 recommending a \$12,847 reduction in Boonesboro's annual operating revenues for water service and a \$7,483 increase in Boonesboro's annual operating revenues for sewer service.

On December 2, 1988, Boonesboro filed written exceptions to the Commission Staff Report. Shortly thereafter, Staff conducted

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<sup>1</sup> Purchased Water Adjustment of Boonesboro Water Association, October 25, 1988.

another field review of Boonesboro's financial records and on February 13, 1989, issued an amended report recommending a \$7,735 reduction in Boonesboro's annual operating revenues for water service and a \$10,304 increase in Boonesboro's annual operating revenues for sewer service.

By letter dated February 13, 1989, the Commission advised Boonesboro that its comments on the Amended Staff Report or any request for a public hearing must be submitted no later than February 27, 1989, or this case would stand submitted to the Commission for decision. No comment on the Amended Staff Report nor request for a public hearing has been received from Boonesboro.

The Commission, after consideration of the evidence of record and being advised, is of the opinion and finds that:

1. The recommendations and findings contained in the original Staff Report, as modified by the Amended Staff Report, should be adopted as the findings of the Commission in this proceeding.

2. Effective with the date of this Order, the rates in Appendix A, attached and incorporated hereto, are approved inasmuch as said rates are fair, just, and reasonable for Boonesboro and will produce gross annual revenues of \$292,786 for water service and \$22,611 for sewer service based on adjusted test-year sales. These rates will allow Boonesboro sufficient revenues to meet its operating expenses, service its debt, and provide for future equity growth.

3. The rates proposed by Boonesboro would produce revenue in excess of that found reasonable herein and should be denied.

4. Concomitant thereto Boonesboro's proposed 10 percent penalty charge for late payments and Boonesboro's proposal to decrease its meter test fee from \$50 to \$25 are approved.

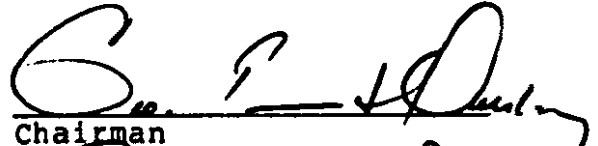
5. All other new or proposed changes in Boonesboro's non-recurring charges and fees should be denied.

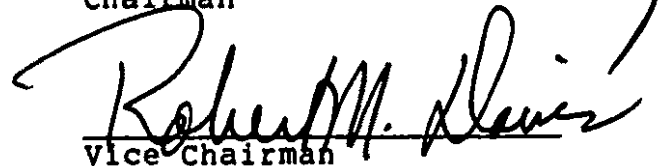
6. Within 30 days of the date of this Order, Boonesboro should file with the Commission its revised tariff setting out the rates approved herein.

BE IT SO ORDERED.

Done at Frankfort, Kentucky, this 27th day of March, 1989.

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. 10249 DATED 3/27/89

The following rates and charges are prescribed for the customers in the area served by Boonesboro Water and Sewer Association, Inc. 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.

Water Rates

5/8 Inch Meters

First 1,000 gallons	\$ 9.43 (Minimum Bill)
Over 1,000 gallons	1.80 per 1,000 gallons

1 Inch Meters

First 10,000 gallons	\$25.63 (Minimum Bill)
Over 10,000 gallons	1.80 per 1,000 gallons

1 1/2 Inch Meters

First 30,000 gallons	\$61.63 (Minimum Bill)
Over 30,000 gallons	1.80 per 1,000 gallons

2 Inch Meters

First 50,000 gallons	\$97.63 (Minimum Bill)
Over 50,000 gallons	1.80 per 1,000 gallons

<u>Meter Test Fee</u>	\$25.00
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Sewer Rate

\$20.75 per residential equivalent\*

\* Divide actual monthly water usage by 12,000 gallons. Multiple this amount by \$20.75 to figure bill. The minimum bill shall be \$20.75.