

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DELAPLAIN DISPOSAL	)	
COMPANY FOR A CERTIFICATE OF PUBLIC	)	CASE NO.
CONVENIENCE AND NECESSITY AND TO INCREASE	)	89-060
RATES	)	

O R D E R

On March 16, 1989, Delaplain Disposal Company ("Delaplain") filed an application with the Commission seeking to increase its rates pursuant to the Alternative Rate Filing Procedure for Small Utilities. After correspondence with the Commission, Delaplain agreed that its filing should be styled as a request for approval of construction and to increase rates rather than an Alternative Rate Filing. The rates proposed by Delaplain for sewer service would generate additional annual revenues of \$96,000, an increase of 272 percent over test-year revenues. The construction element of Delaplain's application precipitated the establishment of another case before the Commission<sup>1</sup> and is not addressed herein.

In April of 1989, Commission Staff conducted a field review of Delaplain's operations for test-year 1988. Based upon this review, Staff issued its report on September 15, 1989 recommending

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<sup>1</sup> Case No. 89-218, Investigation Into Delaplain Disposal Company.

that Delaplain's requested increase in rates be approved. Staff recommended denying Delaplain's proposed change in rate structure for commercial/industrial customers and advised instead that Delaplain continue using the existing rate design. Staff also recommended denying Delaplain's proposed \$2500 tap fee for commercial/industrial customers, but noted that by Order issued on May 5, 1981,<sup>2</sup> the Commission approved a \$500 tap fee for Triport Disposal Company, Delaplain's predecessor, and subsequently approved the transfer of Triport Disposal Company to Delaplain.<sup>3</sup>

By letter dated September 18, 1989, Delaplain was advised to file comments on the Staff Report and/or to request a hearing no later than October 3, 1989 or the case would stand submitted to the Commission for decision. Pursuant to a letter dated October 11, 1989, Delaplain informed Commission Staff that, although it did not fully agree with all of the findings of the Staff Report, it had accepted the rate structure proposed by Staff and did not desire a public hearing in this proceeding.

The Commission, having considered the evidence of record and being sufficiently advised, finds:

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<sup>2</sup> Case No. 7979, Complaint of Mr. Ray Parks against Triport Disposal Company and Mr. William Daugherty as to the provision of sewage services to the Moon Lake Subdivision, Georgetown, Kentucky.

<sup>3</sup> Case No. 9532, The Amended Application of Triport Disposal Company, Inc., for an Order Approving the Transfer of its Assets, Including all Operating Permits, to Delaplain Disposal Company.

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by this reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable rates for Delaplain and will produce gross annual revenues of \$121,804. These rates will allow Delaplain sufficient revenues to meet its operating expenses, service its debt, and provide for future equity growth.

3. Delaplain's proposed rate design for its commercial/industrial customers will not produce adequate revenues to meet its debt service requirements and operating expenses.

4. Delaplain has failed to justify the proposed \$2500 tap fee for commercial/industrial customers.

IT IS THEREFORE ORDERED that:

1. The rate design for commercial/industrial customers proposed by Delaplain in its application is denied.

2. The tap fee of \$2500 for commercial/industrial customers proposed by Delaplain in its application is denied.


3. The rate increase proposed by Delaplain in its application is approved.


4. The rates contained in Appendix A are approved for services rendered by Delaplain on and after the date of this Order.

5. Within 30 days of the date of this Order, Delaplain shall file with the Commission its revised tariff setting out the rates approved herein, including the \$500 tap fee for residential and commercial/industrial customers.

Done at Frankfort, Kentucky, this 8th day of November, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

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Commissioner

ATTEST:

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Executive Director, Acting

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-060 DATED November 8, 1989.

The following rates are prescribed for sewer service to customers of Delaplain Disposal Company. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

<u>Customer Class</u>	<u>Monthly Rate</u>
Residential	\$ 24.00
Commercial/Industrial	\$ 5.35 per 1,000 gallons

<u>Customer Class</u>	<u>Tap Fee</u>
Residential and Commercial/Industrial	\$500.00