

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SIMPSON COUNTY WATER )  
DISTRICT FOR RATE ADJUSTMENT PURSUANT ) CASE NO.  
TO THE ALTERNATIVE RATE FILING PROCEDURE ) 89-219  
FOR SMALL UTILITIES )

O R D E R

On August 7, 1989, Simpson County Water District ("Simpson County") filed its application for Commission approval of a proposed increase in its rates for water service. The proposed rates for water service would generate additional annual revenues of \$67,716, an increase of 15 percent above test-year revenues.

In August 1989, Commission Staff conducted a field review of July 1988 through June 1989 test-period financial records. Based upon this review, Commission Staff issued its report on October 6, 1989, recommending rates higher than proposed by Simpson County so that operating expenses and debt service could be met adequately and equity growth continue.

By letter dated October 6, 1989, Simpson County was advised to file comments on the Staff Report or request a hearing no later than October 23, 1989 or the case would stand submitted to the Commission for decision. On October 16, 1989, Simpson County filed a response accepting the Staff Report.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds:

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 reference as if fully set out herein.

2. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Simpson County and will produce gross annual revenues of \$548,026. These rates will allow Simpson County sufficient revenues to meet its operating expenses, service its debt, and provide for future equity growth.

3. There is no justification for establishing the new rates as being effective from October 1, 1989. The new rates should become effective on and after the date of this Order.

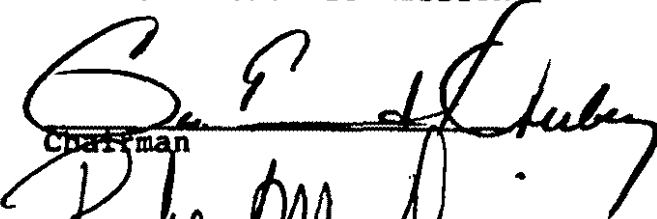
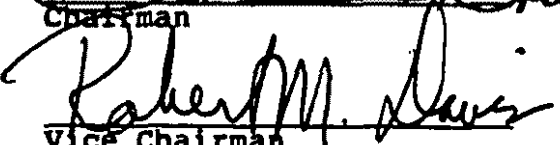
IT IS THEREFORE ORDERED that:

1. The rates contained in Appendix A are approved for service rendered by Simpson County on and after the date of this Order.

2. Within 30 days of the date of this Order, Simpson County shall file with the Commission its revised tariff setting out the rates approved herein.

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

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. 89-219 DATED 11/08/89

The following rates and charges are prescribed for the customers in the area served by Simpson County 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.

Monthly Rates

First	2,000 gallons	\$8.03 (Minimum Bill)
Next	2,000 gallons	3.12 per 1,000 gallons
Next	2,000 gallons	2.76 per 1,000 gallons
Next	4,000 gallons	2.28 per 1,000 gallons
Next	20,000 gallons	2.13 per 1,000 gallons
Next	50,000 gallons	1.93 per 1,000 gallons
Next	60,000 gallons	1.69 per 1,000 gallons
Over	140,000 gallons	1.57 per 1,000 gallons

Minimum Bills

5/8 x 3/4 inch meters	\$ 8.03 ( 2,000 gallons)
3/4 inch meters	11.15 ( 3,000 gallons)
1 inch meters	17.03 ( 5,000 gallons)
1 1/2 inch meters	28.91 ( 10,000 gallons)
2 inch meters	41.69 ( 16,000 gallons)
3 inch meters	71.51 ( 30,000 gallons)
4 inch meters	110.11 ( 50,000 gallons)
6 inch meters	201.81 (100,000 gallons)
8 inch meters	300.81 (160,000 gallons)
10 inch meters	913.11 (550,000 gallons)

Usage in excess of the minimum usage shall be billed using the regular rate schedule.