

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR RATE ADJUSTMENT)
OF PURCHASE PUBLIC SERVICE CORPORATION)
D/B/A GREAT OAKS SUBDIVISION) CASE NO. 98-151

O R D E R

On March 31, 1998, Purchase Public Service Corporation d/b/a Great Oaks Subdivision (Great Oaks) applied for an adjustment of its rates for sewage treatment services pursuant to 807 KAR 5:076, the Alternative Rate Adjustment Procedure for Small Utilities.

Great Oaks proposed rates produced additional annual sewer revenue of \$11,721, an increase of 42 percent over Commission Staff s (Staff) normalized test period revenue from sewage treatment services of \$27,924. Staff conducted a limited review of Great Oaks test period financial records and issued its report on January 8, 1999, which recommended the Commission grant Great Oaks an annual revenue requirement from rates of \$35,998 or an increase in annual sewer revenue of \$8,074, a 29 percent increase.

In its January 8, 1999 Order, the Commission requested that all parties submit written comments on the Staff Report within 10 days from the date of the Order or 90 days from the date the application was filed, whichever is later. Neither Great Oaks nor the intervenor filed a response to the Staff Report recommendations within the

prescribed comment period; therefore, the case has been submitted to the Commission for a decision.

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

1. The recommendations and findings in the Staff Report are adopted as the Commission's findings and incorporated by reference as if fully set out herein.

2. The rate in Appendix A will produce gross annual sewer revenue of \$35,998 and is a fair, just and reasonable rate for Great Oaks. This rate allows Great Oaks sufficient revenues to meet its operating expenses and provide for debt service.

3. Three years from the effective date of this Order, Great Oaks shall file an income statement along with any pro forma adjustments, in sufficient detail to demonstrate that the rate approved herein is still sufficient to meet its operating expenses and annual debt service requirements.

IT IS THEREFORE ORDERED that:

1. The rate recommended by Staff and contained in Appendix A is approved for service rendered by Great Oaks on and after the date of this Order.

2. Within 30 days of the date of this order, Great Oaks shall file with Commission its revised tariffs setting out the rate approved herein.

Done at Frankfort, Kentucky, this 22nd day of January, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 98-151 DATED JANUARY 22, 1999

The following rate is prescribed for the customers in the area served by Purchase Public Service Commission d/b/a Great Oaks Subdivision. 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 RATE:

Flat Rate Residential Service

\$26.31