

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GOSHEN UTILITIES, )  
INC. FOR AN ADJUSTMENT OF RATES ) CASE NO. 98-377  
PURSUANT TO THE ALTERNATIVE RATE )  
FILING PROCEDURE FOR SMALL UTILITIES )

O R D E R

On July 15, 1998, Goshen Utilities, Inc., Sewer Division ( Goshen ), filed an application to increase its rates for sewer treatment service. The application requests approval to increase sewer rates 26.4 percent, increasing the average monthly sewer bill from \$22.25 to \$28.12. Goshen proposed a revenue requirement of \$336,462, an increase of \$70,035 over test year normalized revenues of \$266,427. Intervention was requested by and granted to the city of Goshen, Mike DiGiuro, Richelle Jenkins, Linda Oakes, Jim Bumann, and John Hughes.

Commission Staff performed a limited review of Goshen s financial records and issued a Staff Report on February 11, 1999. The Staff Report recommended that Goshen be authorized an annual revenue requirement of \$316,197 from sewer operations, an annual increase of \$49,770. The Staff Report also recommended that Goshen s existing rate design, consisting of five declining blocks, be changed to a monthly customer charge of \$6.25 plus a flat rate of \$2.36 per 1,000 gallons of water usage.

By Order dated February 11, 1999, the parties were advised to file comments on the Staff Report or to request a hearing or an informal conference within 14 days of the Order or the case would stand submitted to the Commission for a decision. Neither Goshen nor any of the intervenors filed comments or requested a hearing or an informal conference.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that:

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 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 Goshen's current operations. The rates are designed to produce gross annual revenues of \$316,197 from sewer operations and will allow Goshen to pay its operating expenses and provide a reasonable return to its shareholders.

3. The rates proposed by Goshen would produce revenues in excess of those found reasonable herein.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Goshen in its application are denied.

2. The rates in Appendix A of this Order are approved for service rendered by Goshen on and after the date of this Order.

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

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of March, 1999.

By the Commission

ATTEST:

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Executive Director