

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF JACKSON COUNTY)	
WATER ASSOCIATION FOR ADJUSTMENT)	CASE NO. 99-417
OF RATES)	

O R D E R

On October 4, 1999, Jackson County Water Association ("Jackson County") submitted its application for Commission approval of proposed water rates. The application was considered filed on November 25, 1999, when all deficiencies were cured. The proposed rates would generate additional annual revenues of \$143,598, an increase of 13.26 percent over normalized test-year revenues from water sales.

On January 19, 2000, a motion was filed by the Office of the Attorney General requesting full intervention in this proceeding. The motion was granted by the Commission on January 24, 2000.

By Order dated May 2, 2000, the Commission issued a Staff Report that was prepared based upon a review of Jackson County's test-year operations. The Order granted all parties 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference.

The increase proposed by Jackson County resulted in a revenue requirement of \$1,290,480. Based on Staff's calculations, Jackson County's minimum and optimum revenue requirements range from \$1,074,588 to \$1,330,573. The optimum rates will result

in additional annual revenues of \$183,691, an increase of 16.96 percent over normalized test-year revenues from water sales. Staff recommended in its Staff Report that the Commission accept the rates proposed by Jackson County or, in the alternative, allow Jackson County to amend its application to reflect or phase in rates to generate Staff's optimum revenue requirement.

On May 11, 2000, Jackson County filed its comments to the Staff Report wherein it requested approval to adopt the rates that will generate the optimum revenue requirement of \$1,330,573. Included with its comments Jackson County filed an amended application for rates and proof of publication of notice of the revised rates. No other comments to the Staff Report were filed and no comments or intervention requests were filed in response to the amended application.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

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

2. The rates proposed by Jackson County in its application filed November 25, 1999 should be denied.

3. The rates proposed by Jackson County in its amended application filed May 11, 2000, and set forth herein in Appendix A, are fair, just, and reasonable, will produce annual revenues from water sales of \$1,266,913, and will allow Jackson County sufficient revenues to meet its operating expenses.

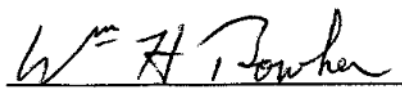
IT IS THEREFORE ORDERED that:

1. The recommendations and findings contained in the Staff Report are hereby adopted as the findings of the Commission and are incorporated by reference as if fully set out herein.
2. The rates proposed by Jackson County in its application filed November 25, 1999 are denied.
3. The rates proposed by Jackson County in its amended application filed May 11, 2000, and contained herein in Appendix A, are approved for service rendered on and after the date of this Order.
4. Within 30 days of the date of this Order, Jackson County shall file with the Commission its revised tariff setting out the rates approved herein.
5. Three years from the effective date of this Order, Jackson County shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 20th day of July, 2000.

By the Commission

ATTEST:

Deputy 
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 1999-417 DATED JULY 20, 2000

The following rates and charges are prescribed for the customers in the area served by Jackson County Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

3/ 4 Inch x 5/8 Inch Meter

First	2,000	gallons	\$ 12.28	Minimum bill
Next	18,000	gallons	5.06	per 1,000 gallons
Next	30,000	gallons	4.30	per 1,000 gallons
Over	50,000	gallons	3.54	per 1,000 gallons

1 Inch Meter

First	5,000	gallons	\$ 27.46	Minimum bill
Next	15,000	gallons	5.06	per 1,000 gallons
Next	30,000	gallons	4.30	per 1,000 gallons
Over	50,000	gallons	3.54	per 1,000 gallons

1 1/2 Inch Meter

First	10,000	gallons	\$ 52.76	Minimum bill
Next	10,000	gallons	5.06	per 1,000 gallons
Next	30,000	gallons	4.30	per 1,000 gallons
Over	50,000	gallons	3.54	per 1,000 gallons

2 Inch Meter

First	20,000	gallons	\$103.36	Minimum bill
Next	30,000	gallons	4.30	per 1,000 gallons
Over	50,000	gallons	3.54	per 1,000 gallons

3 Inch Meter

First	30,000	gallons	\$146.36	Minimum bill
Next	20,000	gallons	4.30	per 1,000 gallons
Over	50,000	gallons	3.54	per 1,000 gallons

4 Inch Meter

First	40,000	gallons	\$189.36	Minimum bill
Next	10,000	gallons	4.30	per 1,000 gallons
Over	50,000	gallons	3.54	per 1,000 gallons

Truck Sales

Sand Gap	\$2.00	per 1,000 gallons
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Wholesale

City of McKee	\$1.51	per 1,000 gallons
Rockcastle Co. Water Association	\$1.85	per 1,000 gallons
City of Beattyville	\$1.68	per 1,000 gallons