

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MUHLENBERG COUNTY)	
WATER DISTRICT FOR A GENERAL RATE)	CASE NO. 99-512
ADJUSTMENT PURSUANT TO THE PROVISIONS OF)	
KRS 278.030 AND 807 KAR 5:001)	

ORDER

Muhlenberg County Water District (“Muhlenberg District”) has moved that the Commission Staff-recommended rates be made effective immediately pending the issuance of a final Order in this proceeding and that the procedural schedule set forth in the Commission Orders of June 22, 2000 and August 4, 2000 be suspended. The Attorney General (“AG”) has responded to this motion.

Having considered the motion and the Attorney General’s response and being otherwise sufficiently advised, the Commission finds that:

1. During the test period, Muhlenberg District experienced a net operating loss of \$224,135.
2. Muhlenberg District is experiencing monthly operating losses while its application for rate adjustment is pending before the Commission.
3. Commission Staff has recommended that, based upon its review of Muhlenberg District’s operations, Muhlenberg District be authorized rates that would generate increased annual revenues of \$309,039 over normalized test-year revenues from water sales. These recommended rates are set forth in Appendix A to this Order.

4. Muhlenberg District's operations will be materially impaired if the recommended rates are not effective immediately.

5. Muhlenberg District and the AG have not objected to Commission Staff's recommended rates and have waived their rights to any evidentiary hearing on the recommended rates.

6. The AG has objected to Muhlenberg District's proposed rate indexing mechanism and to Commission Staff's recommendation that such mechanism be established. He has expressly reserved his right to an evidentiary hearing on this issue.

7. Given the agreement of the parties and Commission Staff on Muhlenberg District's proposed rate adjustment, no evidentiary hearing is required on that matter.

8. Given the disagreement of the parties on the establishment of a rate indexing mechanism, an evidentiary hearing should be held on this matter and the parties should be permitted to submit written briefs on the issues of law that Muhlenberg District's rate indexing proposal presents.

9. The procedural schedule in this matter should not be suspended, but should be amended to permit the parties to present written briefs.

IT IS THEREFORE ORDERED that:

1. Muhlenberg District's Motion for an Interim Order is granted.
2. Muhlenberg District's Motion to Suspend the Procedural Schedule is denied.
3. Muhlenberg District, pending the entry of a final Order in this proceeding, shall charge the rates set forth in Appendix A for water service rendered on and after the date of this Order.

4. The Commission's Orders of June 30, 2000 and August 4, 2000 are amended as follows:

a. A formal hearing in this matter shall be held on November 21, 2000 at 9:30 a.m., Eastern Standard Time, in Hearing Room 2 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of direct and cross-examination of witnesses on the proposed establishment of a rate indexing mechanism.

b. No later than January 5, 2001, the parties shall file with the Commission written briefs addressing all factual and legal issues concerning Muhlenberg District's proposal to establish a rate indexing mechanism.

5. All provisions of the Commission's Orders of June 30, 2000 and August 4, 2000 not amended by this Order remain in effect.

6. Within 20 days of the date of this Order, Muhlenberg District shall file revised tariff sheets that reflect the rates set forth in Appendix A.

Done at Frankfort, Kentucky, this 31st day of October, 2000.

By the Commission

ATTEST:

Deputy Wm H. Fowler
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-512 DATED OCTOBER 31, 2000

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

5 / 8" x 3 / 4" Meter

First	2,000 gallons	\$15.02 Minimum Bill
Next	8,000 gallons	4.86 per 1,000 gallons
Next	10,000 gallons	4.40 per 1,000 gallons
Next	30,000 gallons	3.95 per 1,000 gallons
Over	50,000 gallons	3.49 per 1,000 gallons

1" Meter

First	5,000 gallons	\$29.60 Minimum Bill
Next	5,000 gallons	4.86 per 1,000 gallons
Next	10,000 gallons	4.40 per 1,000 gallons
Next	30,000 gallons	3.95 per 1,000 gallons
Over	50,000 gallons	3.49 per 1,000 gallons

1-1 / 2" Meter

First	11,000 gallons	\$58.30 Minimum Bill
Next	9,000 gallons	4.40 per 1,000 gallons
Next	30,000 gallons	3.95 per 1,000 gallons
Over	50,000 gallons	3.49 per 1,000 gallons

2" Meter

First	16,000 gallons	\$80.30 Minimum Bill
Next	4,000 gallons	4.40 per 1,000 gallons
Next	30,000 gallons	3.95 per 1,000 gallons
Over	50,000 gallons	3.49 per 1,000 gallons

3" Meter

First	26,000 gallons	\$121.60 Minimum Bill
Next	24,000 gallons	3.95 per 1,000 gallons
Over	50,000 gallons	3.49 per 1,000 gallons

4" Meter

First	36,000 gallons	\$161.10 Minimum Bill
Next	24,000 gallons	3.95 per 1,000 gallons
Over	50,000 gallons	3.49 per 1,000 gallons

Wholesale Rate	\$2.71 per 1,000 gallons
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