

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------------|---|----------|
| THE APPLICATION OF THE MORGAN COUNTY |) | |
| WATER DISTRICT FOR A RATE ADJUSTMENT |) | CASE NO. |
| PURSUANT TO THE ALTERNATIVE RATE |) | 2000-086 |
| FILING PROCEDURE FOR SMALL UTILITIES |) | |

ORDER

On February 25, 2000, the Morgan County Water District (“Morgan County”) filed its application seeking to increase its water rates pursuant to 807 KAR 5:076. Morgan County’s proposed water rates would increase the average residential water bill¹ from \$20.14 to \$27.07, approximately 34.4 percent, and would generate annual revenues of \$281,112, \$49,821 above the Commission Staff’s (“Staff”) normalized operating revenue from water rates of \$231,291.

On April 19, 2000, the Commission released a Report in which Staff recommended acceptance of Morgan County’s requested revenue increase. All parties were directed to file any written comments upon Staff’s findings and recommendations or to request a conference or hearing no later than May 1, 2000. As of this date, the Commission has received no such comments or requests.

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

¹ Average residential water bill is based on the average water usage for a 5/8-inch meter, which is 3,194 gallons.

1. The findings contained in the Staff Report are supported by the evidence of record and are reasonable.

2. The rates in Appendix A will produce annual revenue from water sales of \$281,112.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

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

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

4. Three years from the date of this Order Morgan 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 19th day of May, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2000-086 DATED MAY 19, 2000

The following rates and charges are prescribed for the customers in the area served by the Morgan 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 | \$18.95 | Minimum Bill |
| Next | 3,000 | Gallons | 6.80 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 6.20 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 5.60 | per 1,000 Gallons |
| Over | 15,000 | Gallons | 5.00 | per 1,000 Gallons |

1 Inch Meter

| | | | | |
|-------|--------|---------|---------|-------------------|
| First | 5,000 | Gallons | \$39.35 | Minimum Bill |
| Next | 5,000 | Gallons | 6.20 | per 1,000 Gallons |
| Next | 5,000 | Gallons | 5.60 | per 1,000 Gallons |
| Over | 15,000 | Gallons | 5.00 | per 1,000 Gallons |

2 Inch Meter

| | | | | |
|-------|--------|---------|---------|------------------|
| First | 15,000 | Gallons | \$98.35 | Minimum Bill |
| Over | 15,000 | Gallons | 5.00 | per 1,000 Gallon |