

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FOUNTAIN RUN)
WATER DISTRICT FOR A RATE)
ADJUSTMENT PURSUANT TO THE) CASE NO. 2002-00199
ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

ORDER

On June 10, 2002, Fountain Run Water District (Fountain Run) filed an application for Commission approval of its proposed water rates. The proposed rates would generate additional annual revenues of \$15,663, an increase of 13.55 percent above normalized revenue from water rates of \$115,579.

The Office of the Attorney General requested and was granted intervention in this case. By Order dated July 23, 2002, the Commission issued a Staff Report that was prepared upon review of Fountain Run's test-year operations. Staff's report recommended that Fountain Run's requested increase be granted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No such comments or requests were made.

The Commission, having considered 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.

2. The rates in Appendix A will produce annual revenue of \$133,688, including unrestricted interest income of \$2,446.

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 Fountain Run on and after the date of this Order.

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

Done at Frankfort, Kentucky, this 21st day of August, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00199 DATED August 21, 2002

The following rates and charges are prescribed for the customers in the area served by Fountain Run Water District's water operations. 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

First 2,000	\$11.50	Minimum Bill
Next 3,000	3.75	per 1,000 gallons
Next 5,000	3.35	per 1,000 gallons
Next 10,000	2.91	per 1,000 gallons
Over 20,000	2.55	per 1,000 gallons