

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MADISON COUNTY UTILITY)
DISTRICT (A) FOR AUTHORITY TO FINANCE)
CONSTRUCTION IN THE APPROXIMATE)
AMOUNT OF \$3,000,000; (B) A CERTIFICATE OF) CASE NO. 2002-00184
CONVENIENCE AND NECESSITY FOR THE)
CONSTRUCTION OF WATER FACILITIES; AND)
(C) ADJUSTMENT OF RATES)

ORDER

On February 10, 2003, the Commission entered an Order granting Madison County Utility District s (Madison District) petition for a rehearing. We considered that petition as an application for authority to assess rates that will produce annual revenues of \$2,938,976. We further directed that notice of Madison District s request for rates that generate annual revenues of \$2,938,976 be published in accordance with 807 KAR 5:001, Sections 10(3) and (4). On April 7, 2003, Madison District filed an affidavit of publication and attached a copy of the publication as it appeared in the newspaper. This affidavit indicates the last date of publication was March 10, 2003 in the Richmond Register. Any interested person was allowed 30 days in which to request intervention in this matter. Since no such request for intervention has been made, we will now consider the merits of the request for the revised rates.

In our Order of January 27, 2003, we found that, based upon Madison District s adjusted test year operations, Madison District required annual revenues of \$2,938,976

to meet its annual pro forma expenses, debt service requirements, and depreciation requirements.

We find that Madison District's proposed rates as set forth in Appendix A of this Order are sufficient to generate annual revenues of \$2,938,976, and the rates should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Madison District in its application for rehearing and set forth in Appendix A of this Order are approved for service rendered by Madison District on and after the date of this Order.

2. Three years from the date of this Order, Madison District 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 29th day of April, 2003.

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00184 DATED April 29, 2003

The following rates and charges are prescribed for the customers in the area served by Madison County Utility 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

| | | | | |
|----------|---------|------------|---------|--------------------|
| First | 280 | cubic feet | \$11.93 | Minimum bill |
| Next | 720 | cubic feet | 3.67 | per 100 cubic feet |
| Next | 3,000 | cubic feet | 3.47 | per 100 cubic feet |
| Next | 8,000 | cubic feet | 3.30 | per 100 cubic feet |
| Next | 88,000 | cubic feet | 3.13 | per 100 cubic feet |
| All Over | 100,000 | cubic feet | 2.86 | per 100 cubic feet |