

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------------|---|---------------------|
| APPLICATION OF HARDEMAN WATER |) | |
| DISTRICT FOR AN ADJUSTMENT OF |) | |
| RATES PURSUANT TO THE ALTERNATIVE |) | CASE NO. 2003-00107 |
| RATE FILING PROCEDURE FOR SMALL |) | |
| UTILITIES |) | |

O R D E R

On March 20, 2003, Hardeman Water District (Hardeman) filed its application for Commission approval of its proposed water rates. Hardeman proposed to increase its rates to produce additional revenues of \$30,707, an increase of 43.39 percent over normalized revenues of \$70,760.

By Order dated May 5, 2003, the Commission issued a Staff Report that was prepared upon review of Hardeman s test-year operations. Staff s report recommended that the 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 from water service of \$101,467.

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 Hardeman on and after the date of this Order.

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

4. Three years from the effective date of this Order, Hardeman 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.

associated with this transaction.

Done at Frankfort, Kentucky, this 23rd day of May, 2003.

By the Commission

ATTEST:

Deputy



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00107 DATED MAY 23, 2003

The following rates and charges are prescribed for the customers in the area served by Hardeman 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

| | | |
|-------|----------------|---------------------------|
| First | 2,000 gallons | \$13.10 minimum bill |
| Next | 3,000 gallons | \$ 2.75 per 1,000 gallons |
| Next | 15,000 gallons | \$ 2.12 per 1,000 gallons |
| Over | 20,000 gallons | \$ 1.80 per 1,000 gallons |