

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BULLOCK PEN)	
WATER DISTRICT REQUESTING: (1) A)	
CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY)	
AUTHORIZING CONSTRUCTION OF)	
MAJOR ADDITIONS AND)	CASE NO.
IMPROVEMENTS TO ITS WATER)	2003-00164
SYSTEM; (2) SEEKING APPROVAL OF)	
REVISED WATER SERVICE RATES AND)	
CHARGES; (3) SEEKING APPROVAL OF)	
FINANCING PURSUANT TO KRS)	
278.020 AND KRS 278.300)	

O R D E R

On June 6, 2003, Bullock Pen Water District (Bullock Pen) submitted an application requesting Commission approval of a Certificate of Public Convenience and Necessity to construct major additions and improvements to its system, approval of its proposed financing of the construction, and approval of its proposed water rates. Bullock Pen s application contained numerous deficiencies of Commission filing requirements. On July 15, 2003, Bullock Pen submitted information to cure the deficiencies in its original filing, and the case was considered filed as of that date. By Order dated August 13, 2003, the Commission approved Bullock Pen s construction and financing requests.

Bullock Pen s application as revised requested a revenue increase of \$715,830. By Order dated November 12, 2003, the Commission released a Staff Report prepared by Commission Staff. The Staff Report recommended that Bullock Pen s requested increase be denied, and that a revenue increase of \$673,189 should be granted. This

increase, which includes full recovery of depreciation expense, would increase the average bill for 5,000 gallons of usage from \$27.20 to \$36.73, an increase of 35.0 percent. 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 revenues of \$2,564,989.

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 Bullock Pen on and after the date of this Order.

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

4. Three years from the effective date of this Order, Bullock Pen 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 3rd day of December, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00164 DATED December 3, 2003

The following rates and charges are prescribed for the customers in the area served by Bullock Pen 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 Inch Connection

First 2,000 gallons	\$18.28 Minimum Bill
Next 3,000 gallons	6.15 per 1,000 gallons
Next 5,000 gallons	5.54 per 1,000 gallons
Next 10,000 gallons	4.93 per 1,000 gallons
Over 20,000 gallons	4.31 per 1,000 gallons

1 Inch Connection

First 5,000 gallons	\$36.73 Minimum Bill
Next 5,000 gallons	5.54 per 1,000 gallons
Next 10,000 gallons	4.93 per 1,000 gallons
Over 20,000 gallons	4.31 per 1,000 gallons

1 1/2 Inch Connection

First 10,000 gallons	\$64.43 Minimum Bill
Next 10,000 gallons	4.93 per 1,000 gallons
Over 20,000 gallons	4.31 per 1,000 gallons

2 Inch Connection

First 20,000 gallons	\$113.73 Minimum Bill
Over 20,000 gallons	4.31 per 1,000 gallons

Bulk Loading Station Rate \$5.85 per 1,000 gallons