

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MILBURN WATER	)	
DISTRICT FOR AN ADJUSTMENT OF	)	
RATES PURSUANT TO THE	)	CASE NO.
ALTERNATIVE RATE FILING	)	2004-00485
PROCEDURE FOR SMALL UTILITIES	)	

O R D E R

On December 1, 2004, Milburn Water District ("Milburn") filed an application for an adjustment of its rates pursuant to KRS Chapter 278 and 807 KAR 5:076. Milburn proposed to increase its annual revenue from water rates by \$8,368, an increase of 16.75 percent over normalized revenue including interest income of \$50,067. This proposal would increase the average monthly bill for 5,000 gallons of usage from \$29.60 to \$33.92, an increase of 14.6 percent. On January 25, 2005, the Attorney General of Kentucky was granted intervention and made a party to this case.

By Order dated January 25, 2005, the Commission issued a Staff Report that was prepared upon review of Milburn's test-year operations. Staff's report recommended that the requested increase be granted. That Order granted to any party 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No comments or requests for a formal hearing have been filed with the Commission.

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 \$58,435.

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 Milburn on and after the date of this Order.

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

4. Three years from the effective date of this Order, Milburn 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 14<sup>th</sup> day of February, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2004-00485 DATED February 14, 2005

The following rates and charges are prescribed for the customers in the area served by Milburn 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	\$15.11	Minimum Bill
Next	3,000 gallons	6.27	per 1,000 gallons
Next	5,000 gallons	5.74	per 1,000 gallons
Next	10,000 gallons	5.20	per 1,000 gallons
Over	20,000 gallons	4.73	per 1,000 gallons