

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FANCY FARM WATER)
DISTRICT FOR AN ADJUSTMENT OF RATES)
FOR BOTH WATER AND SEWER OPERATIONS) CASE NO. 10344
PURSUANT TO THE ALTERNATIVE PROCEDURE)
FOR SMALL UTILITIES)

O R D E R

On August 9, 1988, Fancy Farm Water District ("Fancy Farm") filed its application seeking to increase its rates for both water and sewer operations pursuant to the Alternative Rate Filing Procedure for Small Utilities.

A hearing was not sought in this matter. There were no intervenors and all requested information has been filed.

On August 22-23, 1988, the Commission Staff conducted a field review of Fancy Farm's test period operations. A report was issued setting forth Staff's recommendations on October 10, 1988. On November 21, 1988, Fancy Farm filed a letter informing the Commission that no hearing would be needed and thereby impliedly accepted the recommendations set out in Staff's report. After careful review and investigation of Staff's recommendations, the Commission is of the opinion that the rates set out in Appendix A are the fair, just, and reasonable rates to be charged and will allow Fancy Farm adequate cash flow to meet its obligations and provide for future equity growth in both its water and sewer operations. Therefore, the Commission affirms the Staff's

recommended increases of \$18,750 for the Fancy Farm Water Fund and \$16,600 for the Fancy Farm Sewer Fund.

RATE DESIGN

In its application Fancy Farm did not propose any change to its present water or sewer rate design. Staff recommended that the rates proposed by Fancy Farm be accepted. The Commission is of the opinion that the water and sewer rates in Appendix A will produce revenues sufficient to cover operating expenses and should be approved for services rendered.

IT IS THEREFORE ORDERED that:

1. The rates in Appendix A are approved as the fair, just, and reasonable rates to be charged by Fancy Farm for service rendered on and after the date of this Order.

2. Within 30 days of the date of this Order, Fancy Farm shall file with the Commission its revised tariff sheet setting out the rates approved herein.

Done at Frankfort, Kentucky, this 13th day of December, 1988.

PUBLIC SERVICE COMMISSION

Chairman

Robert M. Davis

Vice Chairman

James N. McLaughlin

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10344 DATED 12/13/88

The following rates and charges are prescribed for the customers in the area served by Fancy Farm Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Water Rates

Retail and Commercial

<u>Gallonage</u>	<u>Rate</u>
First 2,000 gallons	\$6.00 (Minimum Bill)
Next 3,000 gallons	1.50 per 1,000 gallons
Next 5,000 gallons	1.40 per 1,000 gallons
Next 10,000 gallons	1.35 per 1,000 gallons
Next 30,000 gallons	1.30 per 1,000 gallons
Next 50,000 gallons	1.20 per 1,000 gallons
Over 100,000 gallons	1.15 per 1,000 gallons

Wholesale

<u>Gallonage</u>	<u>Rate</u>
First 400,000 gallons	\$400.00 (Minimum Bill)
Over 400,000 gallons	1.00 per 1,000 gallons

Sewer Rates

<u>Customer Class</u>	<u>Flat Monthly Rate</u>
Residential & Commercial	\$ 22.00 (per dwelling unit)
Brown Thompson	117.00
Service Station	44.00
School	179.00