

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF HARDIN COUNTY WATER)
DISTRICT NO. 1 TO ADJUST ITS RATES FOR) CASE NO. 2013-00050
SEWER SERVICE)

ORDER

On June 24, 2013, Hardin County Water District No. 1 ("Hardin District") applied for an adjustment of its rates for sewer service. Having reviewed the record, and being otherwise sufficiently advised, the Commission finds that:

1. Hardin District is a water and sewer district organized under the provisions of KRS Chapter 74¹ and is a political subdivision of the Commonwealth of Kentucky.²
2. Hardin District began sewer utility operations on July 1, 2005.³
3. Hardin District owns, operates, and manages facilities that are used for and in connection with the treatment of sewage for 8,940 customers in Hardin and Meade Counties, Kentucky.⁴
4. For the calendar year ending December 31, 2012, Hardin District reported revenues of \$6,256,677 and total operating expenses of \$6,080,698 for its sewer operations.⁵

¹ Application at ¶ 1.

² *Louisville Extension Water Dist. v. Diehl Pump & Supply Co., Inc.* 246 S.W.2d 585 (Ky. 1952).

³ *Annual Report of Hardin County Water District No. 1 to the Public Service Commission for the Calendar Year Ended December 31, 2012* at 1.

⁴ *Id.* at 1, 11-12.

⁵ *Id.* at 8.

5. For the calendar year ending December 31, 2012, Hardin District reported net operating income of \$436,482 for its sewer operations.⁶

6. For the calendar year ending December 31, 2012, Hardin District reported net utility plant related to the provision of sewage services of \$41,713,647.⁷

7. For the calendar year ending December 31, 2012, Hardin District reported total assets of \$48,164,923.⁸

8. For the calendar year ending December 31, 2012, Hardin District reported total long-term debt of \$1,562,065, total current and accrued liabilities of \$1,274,931, and total equity capital of (\$169,811).⁹

9. In view of Hardin District's financial assets and its status as a political subdivision of the Commonwealth of Kentucky, Hardin District has sufficient financial integrity to ensure the continuity of sewage service. A copy of a valid third-party beneficiary agreement guaranteeing the continued operation of the sewage treatment facilities is not required to proceed with its application for a sewage treatment rate adjustment.¹⁰

IT IS THEREFORE ORDERED that Hardin District is not required to file a valid third-party beneficiary agreement guaranteeing the continued operation of its sewage treatment facilities and may proceed with the application to adjust its rate for sewer services.

⁶ *Id.*

⁷ *Id. at 2.*

⁸ *Id.*

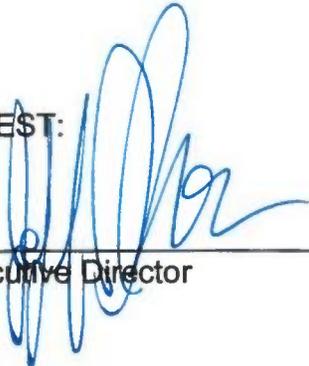
⁹ *Id. at 3.*

¹⁰ 807 KAR 5:071, Section 3(2)(a).

By the Commission

ENTERED
JUL 03 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2013-00050

Jim Bruce
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