

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF RATTLESNAKE RIDGE) CASE NO.
WATER DISTRICT FOR APPROVAL OF AN) 2008-00447
INCREASE IN RATES FOR WATER SERVICE)

ORDER

On October 20, 2008, Rattlesnake Ridge Water District ("Rattlesnake") submitted its application requesting that the Commission approve its proposed increase in water rates. The proposed water rates will generate annual revenues of \$1,858,791, an increase of \$201,839 or 12.5 percent over the test-period revenues from water sales of \$1,656,952.

In requesting Staff assistance, Rattlesnake stated that time was of the essence because cash flow problems could cause it to default on the 2009 debt service payments.

Commission Staff performed a limited financial review of Rattlesnake's operations and, on February 27, 2009 issued a report containing its findings and recommendations regarding the proposed rates. In its report, Staff determined that Rattlesnake's test-period operations would support a revenue requirement of \$2,425,120, or \$562,798 more than Rattlesnake's proposed increase. Although Rattlesnake's proposed rates will not generate the revenue requirement that its test-period operations will support, they will allow Rattlesnake to meet its debt service

payments and operating expenses and, therefore, Staff recommends that the rates proposed by Rattlesnake be approved.

In a letter dated June 26, 2008, USDA Rural Development ("RD") expressed concern over the level of Rattlesnake's salaries. Staff did not review the salaries due to the need for expedited treatment.

Given its limited review of Rattlesnake's test-period operations, Staff recommended in its report that, six months after the rates are implemented, the Commission should conduct a review of Rattlesnake's revenues and expenses to ensure the adequacy of the rates approved herein.

All parties were directed to file written comments upon Staff's findings and recommendations or to request a conference or hearing no later than March 13, 2009. As of that date, no parties had submitted comments or objections or requested a hearing.

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 and are reasonable.
2. Rattlesnake's proposed water rates will produce annual revenues from sales of \$1,858,791.

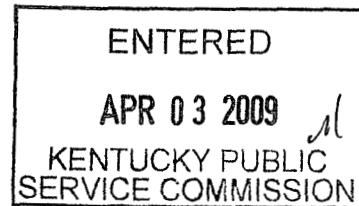
IT IS THEREFORE ORDERED that:

1. The recommendations and findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. Rattlesnake's proposed water rates, which are set forth in the Appendix, are approved for service rendered by Rattlesnake on and after the date of this Order.

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

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00447 DATED APR 03 2009

The following rates are prescribed for the customers in the area served by the Great Oaks Sewer 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.

RATES AND CHARGES

5/8" x 3/4" Meter

First	1,000 gallons	\$	14.06 minimum bill
Next	4,000 gallons		8.89 per 1,000 gallons
Next	5,000 gallons		7.65 per 1,000 gallons
Next	10,000 gallons		6.53 per 1,000 gallons
Next	20,000 gallons		4.50 per 1,000 gallons
Over	40,000 gallons		3.49 per 1,000 gallons

3/4" Meter

First	5,000 gallons	\$	49.50 minimum bill
Next	5,000 gallons		7.65 per 1,000 gallons
Next	10,000 gallons		6.53 per 1,000 gallons
Next	20,000 gallons		4.50 per 1,000 gallons
Over	40,000 gallons		3.49 per 1,000 gallons

1" Meter

First	10,000 gallons	\$	87.75 minimum bill
Next	10,000 gallons		6.53 per 1,000 gallons
Next	20,000 gallons		4.50 per 1,000 gallons
Over	40,000 gallons		3.49 per 1,000 gallons

1 1/2" Meter

First	30,000 gallons	\$	196.88 minimum bill
Next	10,000 gallons		4.50 per 1,000 gallons
Over	40,000 gallons		3.49 per 1,000 gallons

2" Meter

First	50,000	gallons	\$	285.75	minimum bill
Over	50,000	gallons			3.49 per 1,000 gallons

3" Meter

First	100,000	gallons	\$	460.13	minimum bill
Over	100,000	gallons			3.49 per 1,000 gallons

4" Meter

First	200,000	gallons	\$	808.75	minimum bill
Over	200,000	gallons			3.49 per 1,000 gallons

6" Meter

First	500,000	gallons	\$	1,855.13	minimum bill
Next	500,000	gallons			3.49 per 1,000 gallons

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