

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF B & H INCORPORATED)	
FOR A RATE ADJUSTMENT PURSUANT TO THE)	
ALTERNATIVE RATE FILING PROCEDURE FOR)	CASE NO. 90-223
SMALL UTILITIES)	

O R D E R

On August 21, 1990, B & H, Incorporated ("B & H") filed an application for Commission approval of a proposed increase in its rates for sewer service. B & H proposed rates for sewer service which would generate additional annual revenues of \$7,107, an increase of 34 percent.

In October 1990, the Commission Staff conducted a field review of B & H's test-period financial records. Based upon this review, Commission Staff issued a report on December 4, 1990 recommending a \$5,989 increase in B & H's annual operating revenues for sewer service.

By letter dated December 4, 1990, the Commission advised B & H that comments on the Staff Report or requests for a public hearing must be submitted no later than December 19, 1990 or this case would stand submitted to the Commission for decision. B & H responded by letter received December 12, 1990 to advise the Commission that no public hearing was requested and Staff's recommendations were accepted by B & H.

The Commission, after consideration of the evidence of record and being advised, finds that:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for B & H and will produce gross annual revenues of approximately \$26,878 for sewer service based on adjusted test year revenues. These rates will allow B & H sufficient revenues to meet its operating expenses and provide for future growth equity.

3. The rates proposed by B & H would produce revenue increases in excess of that found reasonable herein and should be denied upon application of KRS 278.030.

IT IS THEREFORE ORDERED that:

1. The rates proposed by B & H in its application are hereby denied.


2. The rates in Appendix A are approved for services rendered by B & H on and after the date of this Order.

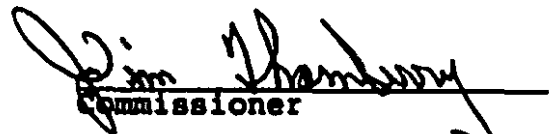
3. Within 30 days of the date of this Order, B & H shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 20th day of December, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-223 DATED December 20, 1990

The following rates and charges are prescribed for the customers in the area served by B & H, Inc. 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.

Single Family Residential

\$17.05 per month

Multi Family Residential

\$12.90 per month