

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HICKORY WATER DISTRICT)	
FOR RATE ADJUSTMENT PURSUANT TO THE)	CASE NO.
ALTERNATIVE RATE FILING PROCEDURE)	90-413
FOR SMALL UTILITIES)	

O R D E R

On January 9, 1991, Hickory Water District filed its application for Commission approval of a proposed increase in its rates for water service. The proposed rates for service would generate additional annual revenues of \$89,781, an increase of 57.5 percent above normalized test-year revenues from water sales.

In February 1991, Commission Staff conducted a field review of Hickory Water District's test-period financial records. Based upon this review, Commission Staff issued its report on March 15, 1991, recommending that Hickory Water District be authorized to increase its annual operating revenues by \$66,426.

By letter dated March 15, 1991, Hickory Water District was advised to file comments on the Staff Report or request a hearing no later than April 1, 1991, or the case would stand submitted to the Commission for decision. No comments on the Staff Report or requests for a hearing have been received.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds:

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, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Hickory Water District and will produce gross annual revenues from water sales of \$222,596. These rates will allow Hickory Water District sufficient revenues to meet its operating expenses, and provide for future growth equity, including provisions for servicing its debt.

3. The rates proposed by Hickory Water District would produce revenue in excess of that found reasonable herein and should be denied upon application of KRS 278.030.

IT IS THEREFORE ORDERED that:

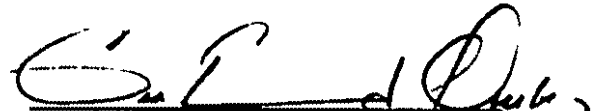
1. The rates proposed by Hickory Water District in its application are hereby denied.


2. The rates in Appendix A are approved for service rendered by Hickory Water District on and after the date of this Order.

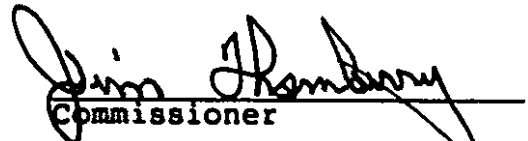
3. Within 30 days of the date of this Order, Hickory Water District shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 24th day of April, 1991.

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. 90-413 DATED 4/24/91

The following rates and charges are prescribed for the customers in the area served by Hickory 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.

Usage Blocks

Monthly Rate

3/4 Inch Meter

First 2,000 gallons	\$6.50 Minimum Bill
Next 3,000 gallons	2.70 per 1,000 gallons
Next 5,000 gallons	2.00 per 1,000 gallons
Next 10,000 gallons	1.65 per 1,000 gallons
Next 30,000 gallons	1.20 per 1,000 gallons
Next 50,000 gallons	.85 per 1,000 gallons
Over 100,000 gallons	.70 per 1,000 gallons

1 Inch Meter

First 6,000 gallons	\$16.60 Minimum Bill
Next 4,000 gallons	2.00 per 1,000 gallons
Next 10,000 gallons	1.65 per 1,000 gallons
Next 30,000 gallons	1.20 per 1,000 gallons
Next 50,000 gallons	.85 per 1,000 gallons
Over 100,000 gallons	.70 per 1,000 gallons

1 1/2 Inch Meter

First 7,500 gallons	\$19.60 Minimum Bill
Next 2,500 gallons	2.00 per 1,000 gallons
Next 10,000 gallons	1.65 per 1,000 gallons
Next 30,000 gallons	1.20 per 1,000 gallons
Next 50,000 gallons	.85 per 1,000 gallons
Over 100,000 gallons	.70 per 1,000 gallons

2 Inch Meter

First 15,000 gallons	\$32.85 Minimum Bill
Next 5,000 gallons	1.65 per 1,000 gallons
Next 30,000 gallons	1.20 per 1,000 gallons
Next 50,000 gallons	.85 per 1,000 gallons
Over 100,000 gallons	.70 per 1,000 gallons

3 and 4 Inch Meter

First 100,000 gallons	\$119.60 Minimum Bill
Over 100,000 gallons	.70 per 1,000 gallons