

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SALT LICK WATER)
ASSOCIATION INC. FOR A RATE ADJUSTMENT) CASE NO.
PURSUANT TO THE ALTERNATIVE RATE FILING) 92-055
PROCEDURE FOR SMALL UTILITIES)

O R D E R

On February 10, 1992, Salt Lick Water Association, Inc. ("Salt Lick") filed its application for Commission approval of a proposed increase in its rates for water service. Salt Lick's proposed rates for water service would generate additional annual revenues of \$8,891, an increase of 28 percent.

On December 12, 1991, the Commission staff conducted a field review of Salt Lick's 1990 test-year financial records. Based upon this review, Commission Staff issued a report on March 10, 1992 recommending an \$8,891 increase in Salt Lick's annual operating revenues for water service.

By Order dated March 10, 1992, the Commission advised Salt Lick that comments on the Staff Report or a request for public hearing must be submitted no later than March 24, 1992, or this case would stand submitted to the Commission for decision. No comments on the Staff Report or request for public hearing have been received from Salt Lick.

The Commission, after consideration of 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, 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 Salt Lick and will produce gross annual revenues of \$40,539 for water service. These rates will allow Salt Lick sufficient revenues to meet its operating expenses and provide for future equity growth, including provisions for servicing its debt.

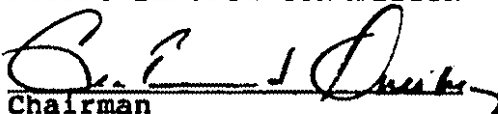
IT IS THEREFORE ORDERED that:

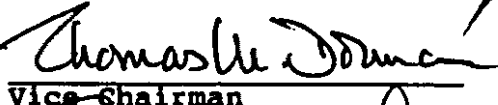
1. The rates proposed by Salt Lick and contained in Appendix A are approved for service rendered by Salt Lick on and after the date of this Order.

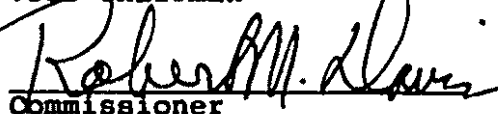
2. Within 30 days of the date of this Order, Salt Lick shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 10th day of April, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-055 DATED 4/10/92

The following rates and charges are prescribed for the customers in the area served by Salt Lick Water Association, 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.

First 1,500 gallons	\$12.12 Minimum Bill
Next 3,500 gallons	2.31 per 1,000 gallons
Next 5,000 gallons	2.06 per 1,000 gallons
Next 10,000 gallons	1.96 per 1,000 gallons
Next 20,000 gallons	1.86 per 1,000 gallons