

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WESTERN LEWIS-)
RECTORVILLE WATER AND GAS DISTRICT FOR A)
RATE ADJUSTMENT PURSUANT TO THE) CASE NO. 92-313
ALTERNATIVE RATE FILING PROCEDURE FOR)
SMALL UTILITIES)

O R D E R

On September 4, 1992, Western Lewis-Rectorville Water and Gas District ("Western Lewis") filed its application for Commission approval of a proposed increase in its rates for water service. Western Lewis's proposed rates for water service would generate additional annual revenues of \$80,875, an increase of 56.3 percent.

In October 1992 Commission Staff conducted a field review of Western Lewis's test-period financial records. Based upon this review, Commission Staff issued its report on April 2, 1993 recommending an increase of \$48,601 in Western Lewis's annual operating revenues for water service.

By Order dated April 2, 1993, the Commission advised Western Lewis that comments on the Staff Report or requests for a public hearing must be submitted no later than 15 days from the date of the Order or this case would stand submitted to the Commission for decision. Western Lewis's response dated April 19, 1993 stated that it would accept Staff's recommended adjustments and waive a formal hearing.

The Commission, after considering 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 proposed by Western Lewis produce rates greater than that found reasonable herein and should be denied.

3. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Western Lewis and will produce gross annual revenues of approximately \$192,142 for metered water service based on adjusted test-period sales. These rates will allow Western Lewis sufficient revenues to meet its operating expenses and provide for future equity growth.

IT IS THEREFORE ORDERED that:

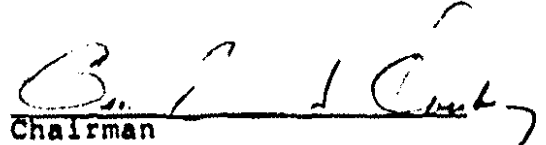
1. The rates proposed by Western Lewis in its application are hereby denied.

2. The rates contained in Appendix A are approved for service rendered by Western Lewis on and after the date of this Order.

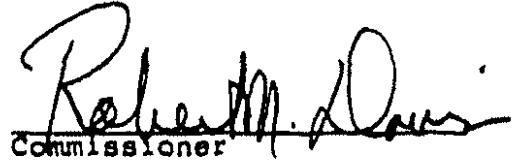
3. Within 30 days of the date of this Order, Western Lewis shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 10th day of May, 1993.

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. 92-313 DATED May 10, 1993

The following rates and charges are prescribed for the customers in the area served by Western Lewis-Rectorville Water and Gas District's Water Division. 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.

Monthly: Rates

First 1,000 gallons	\$6.70 Minimum Bill
Next 4,000 gallons	2.90 per 1,000 gallons
Next 10,000 gallons	2.00 per 1,000 gallons
Over 15,000 gallons	1.70 per 1,000 gallons