

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CORINTH WATER)	
DISTRICT FOR A RATE ADJUSTMENT)	CASE NO.
PURSUANT TO THE ALTERNATIVE RATE)	96-292
FILING PROCEDURE FOR SMALL UTILITIES)	

O R D E R

On June 24, 1996, Corinth Water District ("Corinth") filed its application for Commission approval of a proposed increase in its rates for water service. The proposed rates would generate additional annual revenues of approximately \$59,735, an increase of 24.95 percent above normalized test-year revenues.

Commission Staff conducted a limited review of Corinth's test-period financial records. Based upon this review, Commission Staff issued its report on September 13, 1996, recommending that Corinth be authorized to increase its annual operating revenues from water service rates by \$59,735.

By Order dated September 13, 1996, Corinth was advised to file comments on the Staff Report or request a hearing or informal conference no later than September 30, 1996, or the case would stand submitted to the Commission for a decision. Corinth filed no comments or requests with the Commission.

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 in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Corinth and will produce gross annual revenues of \$293,089 from water sales. These rates will allow Corinth sufficient revenues to meet its operating expenses, and provide for future equity growth, including provisions for servicing its debt.

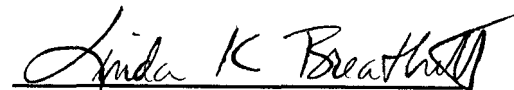
IT IS THEREFORE ORDERED that:

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

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

Done at Frankfort, Kentucky, this 25th day of October, 1996.

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. 96-292 DATED OCTOBER 25, 1996

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

Monthly Rates

First 1,000 gallons	\$15.35 (Minimum Bill)
Next 4,000 gallons	7.50 per 1,000 gallons
Next 5,000 gallons	5.15 per 1,000 gallons
Over 10,000 gallons	4.50 per 1,000 gallons

Bulk Rate

Truck Loading Station	\$ 5.25 per 1,000 gallons
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