

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CROSS CREEK            )  
SANITARY, INC. FOR A RATE ADJUSTMENT    )  
PURSUANT TO THE ALTERNATIVE RATE        ) CASE NO. 97-007  
FILING PROCEDURE FOR SMALL UTILITIES    )

O R D E R

On January 7, 1997, Cross Creek Sanitary, Inc. ("Cross Creek") filed an application with the Public Service Commission seeking to increase its sewer rate pursuant to 807 KAR 5:076, the Alternative Rate Filing Procedure for Small Utilities. The proposed rates would generate approximately \$7,133 annually in additional revenues, an increase of 56.85 percent over normalized test-year revenues of \$12,548.

Commission Staff conducted a limited financial review of Cross Creek's operations for the test period, calendar year 1995, on November 27, 1996. Based upon this review, Commission Staff issued a report on May 15, 1997, recommending that Cross Creek be authorized to increase its annual operating revenues by \$874.

By Order dated May 15, 1997, the Commission advised Cross Creek that comments on the Staff Report or requests for a public hearing must be submitted no later than May 26, 1997, or this case would be submitted for a decision based on the existing record. No comments or requests for a hearing were filed.

The Commission, after consideration of the evidence of record and being 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 rate in Appendix A, which is attached hereto and incorporated herein, is the fair, just, and reasonable rate for Cross Creek and will produce gross annual revenues of \$13,422. This rate will allow Cross Creek sufficient revenues to meet its operating expenses.

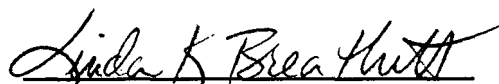
IT IS THEREFORE ORDERED that:

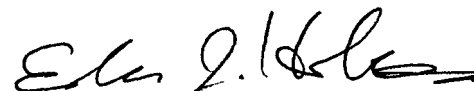
1. The rate in Appendix A is approved for service rendered by Cross Creek on and after the date of this Order.

2. Within 30 days of the date of this Order, Cross Creek shall file with the Commission its revised tariff setting out the rates approved herein in conformance with 807 KAR 5:011.

Done at Frankfort, Kentucky, this 1st day of July, 1997.

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. 97-007 DATED

The following rates and charges are prescribed for the customers in the area served by Cross Creek Sanitary, 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.

Monthly Rate:

All Customers	\$21.11
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