COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LEWIS SANITATION COMPANY,)
INC GARDEN HEIGHTS SEWER SYSTEM FOR)
ADJUSTMENT OF RATES PURSUANT TO THE) CASE NO.
ALTERNATIVE RATE FILING PROCEDURE FOR) 2005-00036
SMALL UTILITIES)

ORDER

On February 4, 2005, Lewis Sanitation Company, Inc. – Garden Heights Sewer System ("Lewis Sanitation") filed an application for Commission approval of a proposed increase in sewer rates. Lewis Sanitation proposed to increase its annual revenue from sewer rates by \$7,714, an increase of 54 percent over normalized revenue of \$14,256. This proposal would increase the flat rate monthly bill from \$11.00 to \$16.96.

By Order dated March 15, 2005, the Commission issued a Staff Report that was prepared upon review of Lewis Sanitation's test-year operations. Staff's report recommended that the requested increase be granted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. By Order dated March 23, 2005, the Commission granted an additional 10 days to file written comments because the Order of March 15 was not served on the parties in this proceeding.

The Attorney General of Kentucky, by and through his Office of Rate Intervention ("Attorney General"), requested and was granted full intervention in this matter by an Order dated February 14, 2005. The Attorney General, in response to the Staff Report, notified the Commission that he would not file written comments or request a hearing or

an informal conference. We also note that four letters from customers of Lewis

Sanitation were received in opposition to the proposed rate increase.

The Commission, having considered 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 should be adopted as the

findings of the Commission.

2. The rates in Appendix A will produce annual revenue from sewer service

of \$21,970.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated

by reference into this Order as if fully set out herein.

2. The rates in Appendix A are approved for service rendered by Lewis

Sanitation on and after the date of this Order.

3. Within 30 days of the date of this Order, Lewis Sanitation shall file with the

Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 14th day of April, 2005.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00036 DATED April 14, 2005

The following rates and charges are prescribed for the customers in the area served by Lewis Sanitation Company, Inc. – Garden Heights Sewer System. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Sewer Rates

Single Family Residential \$16.96