

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTHEAST)	
DAVIESS COUNTY WATER DISTRICT)	
FOR APPROVAL OF A PROPOSED)	CASE NO.
INCREASE IN RATES FOR WATER)	2006-00160
SERVICE)	

O R D E R

On May 22, 2006, the Commission received an application from Southeast Daviess County Water District ("Southeast Daviess") requesting approval of its proposed water rates. Southeast Daviess proposed to increase its annual revenue from water rates by 12.2 percent, or \$176,151 in additional water revenue. This proposal would increase the average monthly water bill for 5,000 gallons of usage from \$14.57 to \$17.66, an increase of 21.2 percent.

By Order dated July 7, 2006, the Commission issued a Staff Report that was prepared upon review of Southeast Daviess's test-year operations. Staff's report recommended that Southeast Daviess's proposed rate increase be accepted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No comments or requests for a hearing or informal conference were received in response to this Order.

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 water service of \$1,620,005.

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 Southeast Daviess on and after the date of this Order.

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

4. Three years from the effective date of this Order, Southeast Daviess shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 31st day of July, 2006.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00160 DATED July 31, 2006

The following rates and charges are prescribed for the customers in the area served by Southeast Daviess County Water District. 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 Water Rates

Customer Charge

5/8" x 3/4" Meters	\$2.36	per month
1" Meters	3.30	per month
1 1/2" Meters	4.25	per month
2" Meters	6.84	per month

Usage Charge

First 20,000 gallons	\$3.06	per 1,000 gallons
Over 20,000 gallons	2.37	per 1,000 gallons

Wholesale Customers

City of Whitesville	\$1.84	per 1,000 gallons
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