

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GARRISON-QUINCY-KY-O-)
HEIGHTS WATER DISTRICT FOR A RATE) CASE NO.
ADJUSTMENT PURSUANT TO THE ALTERNATIVE) 2006-00161
RATE FILING PROCEDURE FOR SMALL UTILITIES)

ORDER

On April 19, 2006, Garrison-Quincy-Ky-O-Heights Water District ("Garrison-Quincy") filed its application for Commission approval of its proposed water rates. Garrison-Quincy proposed to increase its annual revenue from water rates by 10 percent, or \$27,252. This proposal would increase the average monthly water bill for 5,000 gallons of usage from \$25.80 to \$28.53, an increase of 10.6 percent.

By Order dated May 25, 2006, the Commission issued a Staff Report that was prepared upon review of Garrison-Quincy's test-year operations. Staff's Report recommended that Garrison-Quincy'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 \$330,915.

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 Garrison-Quincy on and after the date of this Order.

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

4. Three years from the effective date of this Order, Garrison-Quincy 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 13th day of June, 2006.

By the Commission

ATTEST.


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00161 DATED June 13, 2006.

The following rates and charges are prescribed for the customers in the area served by Garrison-Quincy-KY-O-Heights 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

5/8" x 3/4" Meter:

First	2,000 gallons	\$12.18 Minimum Bill
Next	3,000 gallons	5.45 per 1,000 gallons
Next	5,000 gallons	4.13 per 1,000 gallons
Over	10,000 gallons	3.47 per 1,000 gallons

1" Meter:

First	10,000 gallons	\$49.18 Minimum Bill
Over	10,000 gallons	3.47 per 1,000 gallons

2" Meter:

First	50,000 gallons	\$187.98 Minimum Bill
Over	50,000 gallons	3.47 per 1,000 gallons