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November 5, 2008

Joe Dan Taylor
Commissioner
Dexter-Almo Heights Water District
351 Almo Road
P. O. Box 55
Almo, KY 42020

CERTIFICATE OF SERVICE

RE: Case No. 2008-00374
Dexter-Almo Heights Water District

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on November 5, 2008.

Executive Director

SS/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DEXTER-ALMO HEIGHTS)
WATER DISTRICT TO REVISE CERTAIN) CASE NO. 2008-00374
NONRECURRING CHARGES)

ORDER

On September 8, 2008, Dexter-Almo Heights Water District ("Dexter-Almo District") applied for authority to revise its 5/8-inch meter tap-on fee. It subsequently requested a deviation from 807 KAR 5:011, Section 10(3)¹, which limits the number of applications for adjustment to nonrecurring charges to two between applications for rate adjustments. Having reviewed the request for deviation and application and being otherwise sufficiently advised, the Commission finds that:

1. Dexter-Almo District, a water district organized pursuant to KRS Chapter 74, serves approximately 720 customers in Calloway County, Kentucky.

2. For the year ending December 31, 2007, Dexter-Almo District had total water operating revenues of \$201,177 and total utility operating expenses of \$181,858. For the same period, it had net income before contributions of \$8,525.

¹ 807 KAR 5:011, Section 10(3) reads in part: "No more than two (2) such tariff filings under this procedure shall be made between general rate cases. Additional tariff filings for nonrecurring charges will be processed according to general rate case procedures."

3. Dexter-Almo District last applied for a general rate adjustment in 1982.²
4. Dexter-Almo District has applied for revisions of its nonrecurring charges twice since its last general rate adjustment.³
5. No evidence suggests that Dexter-Almo District's application is intended to increase its rate of return beyond that provided in its last rate adjustment case.
6. Good cause exists to permit Dexter-Almo District to deviate from the requirements of 807 KAR 5:011, Section 10(3).
7. The proposed meter tap-on fee is equal to the expenses incurred to provide the associated service.
8. A meter tap-on fee of \$700 is the fair, just and reasonable rate for connections of 5/8-inch by 3/4-inch meters made by Dexter-Almo District.

IT IS THEREFORE ORDERED that:

1. Dexter-Almo District is permitted to deviate from the requirements of 807 KAR 5:011, Section 10(3).
2. Dexter-Almo District's application shall be considered filed as of the date of this Order.
3. A meter tap-on fee of \$700 is approved for connections of 5/8-inch by 3/4-inch meters made on and after the date of this Order.

² Case No. 8663, Application of Dexter-Almo Heights Water District for an Adjustment of Rates Pursuant to the Alternative Procedure for Small Utilities (Ky. PSC Jan. 6, 1983).

³ Case No. 2001-00247, The Application of Dexter-Almo Heights Water District to Increase Certain Non-recurring Charges (Ky. PSC Sept. 10, 2001) (adjust meter tap-on fee and returned check fee); Case No. 2006-00311, The Application of Dexter-Almo Heights Water District to Increase Certain Non-recurring Charges (Ky. PSC July 11, 2006) (adjust residential customers' deposit).

4. Within 20 days of the date of this Order, Dexter-Almo District shall file with the Commission a revised tariff sheet containing the approved charge.

Done at Frankfort, Kentucky, this 5th day of November, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00374 DATED NOVEMBER 5, 2008

The following rates and charges are prescribed for the customers in the area served by Dexter-Almo 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.

Nonrecurring Charges

5/8"x3/4" Meter Tap-On Fee

\$700.00