

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF ADJUSTMENT OF RATES OF)
KENTUCKY-AMERICAN WATER COMPANY) CASE NO. 10069

O R D E R

On June 1, 1988, Kentucky-American Water Company ("Kentucky-American") filed two sets of revised tariffs pursuant to KRS 278.190(2).

The first tariff revision involves the Tenth Revised Sheet No. 50, Ninth Revised Sheet No. 52, and Seventh Revised Sheet No. 53 which is to be effective June 1, 1988. The effect of these tariff changes is to produce on an annual basis revenue of \$842,610.00, plus an additional calendar quarterly billing of \$70,217.50. The additional \$70,217.50 is the amount Kentucky-American claims it is entitled to because of the presumption of a May 1, 1988 effective date of the proposed settlement in this case.

The second set of tariffs consists of Eleventh Revised Sheet No. 50, Tenth Revised Sheet No. 52, and Eighth Revised Sheet No. 53 to be effective September 1, 1988. These tariffs reduce the rates contained in the June 1, 1988 effective tariffs to produce annual revenues of \$842,610.

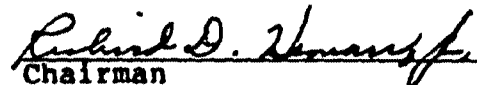
After a review of the proposed tariffs, the Commission finds that they do not conform to the requirements of KRS 278.190(2).

That statute allows the utility to place proposed rates into effect, but not a rate different from that proposed in its original notice. Furthermore, at the hearing of this case on May 5, 1988, the Commission overruled Kentucky-American's motion to place the rates in effect on May 1, 1988.

For these reasons, the Commission Orders that the proposed tariffs filed June 1, 1988 are not accepted and cannot be placed into effect.

Done at Frankfort, Kentucky, this 1st day of June, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director