

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DAVID WATER DISTRICT)
FOR A RATE ADJUSTMENT PURSUANT TO THE) CASE NO.
ALTERNATIVE RATE FILING PROCEDURE FOR) 91-278
SMALL UTILITIES)

O R D E R

On September 6, 1991, David Water District ("David Water") filed its application for Commission approval of a proposed increase in its rates for water service. David Water's proposed rates for water service would generate additional annual revenues of \$7,993, an increase of 34.7 percent.

In September 1991 Commission Staff conducted a field review of David Water's test-period financial records. Based upon this review, Commission Staff issued its report on October 28, 1991 recommending an increase of \$7,693 in David Water's annual operating revenues for water service.

By letter dated October 28, 1991, the Commission advised David Water that comments on the Staff Report or requests for a public hearing must be submitted no later than November 12, 1991 or this case would stand submitted to the Commission for decision. David Water responded by letter dated November 1, 1991 that it would accept Staff's recommended adjustments and waive a formal hearing.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The difference between the revenue requirement proposed by David Water and that found reasonable herein has a de minimus effect on the rates proposed by David Water. Therefore, no change in these rates has been reflected.

3. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for David Water and will produce gross annual revenues of approximately \$30,772 for water service based on adjusted test-year sales. These rates will allow David Water sufficient revenues to meet its operating expenses, and provide for future growth equity.

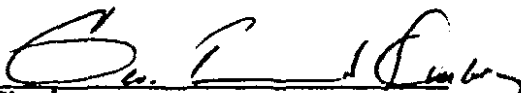
IT IS THEREFORE ORDERED that:


1. The rates proposed by David Water and contained in Appendix A are approved for service rendered by David Water on and after the date of this Order.

2. Within 30 days of the date of this Order, David Water shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 25th day of November, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-278 DATED November 25, 1991.

The following rates and charges are prescribed for the customers in the area served by David Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

5/8 Inch Meter

First 2,000 gallons	\$8.25 Minimum Bill
Next 3,000 gallons	4.65 per 1,000 gallons
Next 5,000 gallons	3.50 per 1,000 gallons
Next 10,000 gallons	2.50 per 1,000 gallons
Next 30,000 gallons	1.90 per 1,000 gallons
Over 50,000 gallons	1.40 per 1,000 gallons

3/4 Inch Meter

First 5,000 gallons	\$22.20 Minimum Bill
Next 5,000 gallons	3.50 per 1,000 gallons
Next 10,000 gallons	2.50 per 1,000 gallons
Next 30,000 gallons	1.90 per 1,000 gallons
Over 50,000 gallons	1.40 per 1,000 gallons

1 Inch Meter

First 10,000 gallons	\$39.70 Minimum Bill
Next 10,000 gallons	2.50 per 1,000 gallons
Next 30,000 gallons	1.90 per 1,000 gallons
Over 50,000 gallons	1.40 per 1,000 gallons

1 1/2 Inch Meter

First 20,000 gallons	\$64.70 Minimum Bill
Next 30,000 gallons	1.90 per 1,000 gallons
Over 50,000 gallons	1.40 per 1,000 gallons

2 Inch Meter

First 50,000 gallons	\$121.70 Minimum bill
Over 50,000 gallons	1.40 per 1,000 gallons