

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PURCHASE PUBLIC)
SERVICE CORPORATION FOR RATE)
ADJUSTMENT PURSUANT TO THE ALTERNATIVE) CASE NO. 92-536
RATE FILING PROCEDURE FOR SMALL)
UTILITIES)

O R D E R

On December 30, 1992, Purchase Public Service Corporation ("Purchase Public") applied for an increase in its rates for sewer service. The proposed rates for sewer service would generate additional annual revenues of \$5,969, an increase of 173 percent above test-year revenues.

In January 1993, Commission Staff conducted a field review of Purchase Public's test-period financial records. Based upon this review, Commission Staff issued a report which recommended that Purchase Public be allowed to increase its normalized operating revenues by \$5,881.

On April 19, 1993, the Commission granted Purchase Public 15 days in which to file comments on the Staff Report or request a hearing or the case would stand submitted to the Commission for decision. No comments on the Staff Report nor request for a hearing have been received.

The Commission, after considering 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 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 rates proposed by Purchase Public in its application would produce revenues in excess of those found reasonable herein.

3. The rates in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Purchase Public and will produce gross annual revenues of \$9,328. These rates will allow Purchase Public sufficient revenues to meet its operating expenses and provide for future equity growth, including provisions for servicing its debt.

IT IS THEREFORE ORDERED that:

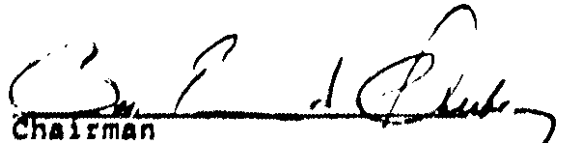
1. The rates proposed by Purchase Public in its application are denied.

2. The rates contained in Appendix A are approved for service rendered by Purchase Public on and after the date of this Order.

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

Done at Frankfort, Kentucky, this 14th day of May, 1993.

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. 92-536 DATED MAY 14, 1993

The following rates and charges are prescribed for the customers in the area served by Purchase Public Service Corporation. 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.

Flat Monthly Rate

\$38.87