

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WAVERLY SANITATION,)
INC. FOR A RATE ADJUSTMENT PURSUANT)
TO THE ALTERNATIVE RATE FILING) CASE NO. 93-002
PROCEDURE FOR SMALL UTILITIES)

O R D E R

On January 4, 1993, Waverly Sanitation, Inc. ("Waverly") applied for an increase in its rates for sewer service. The proposed rates for sewer service would generate additional annual revenues of \$3,367, an increase of 20 percent above test-year revenues.

In January 1993, Commission Staff conducted a field review of Waverly's test-period financial records. Based upon this review, Commission Staff issued its report on March 17, 1993, recommending that Waverly be allowed to increase its normalized operating revenues by \$11,114, or 69.32 percent.

On March 17, 1993, the Commission granted Waverly 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:

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 Waverly in its application will produce revenues insufficient to meet operating expenses and should be denied.

3. The rates in the Appendix to this Order are the fair, just, and reasonable rates for Waverly and will produce gross annual revenues of \$27,146. These rates will allow Waverly sufficient revenues to meet its operating expenses and provide for future equity growth, including provisions for servicing its debt.

IT IS THEREFORE ORDERED that:

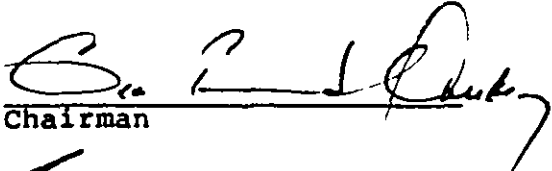
1. The rates proposed by Waverly in its application are denied.


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

3. Within 30 days of the date of this Order, Waverly shall file with the Commission its revised tariff setting out the rates approved for service rendered on and after the date of this Order.

Done at Frankfort, Kentucky, this 15th day of July, 1993.

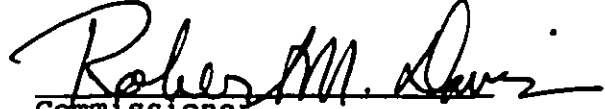
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-002 DATED July 15, 1993.

The following rates and charges are prescribed for the customers in the area served by Waverly Sanitation, Inc. 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.

<u>Classification</u>	<u>Monthly Rate</u>
Apartments	\$96.40 per four-plex building (or \$24.10 per unit)
Row Houses	\$337.40 per 14-unit building (or \$24.10 per unit)