

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DOE VALLEY)
UTILITIES, INC. FOR AN ADJUSTMENT)
OF WATER AND SEWER RATES PURSUANT) CASE NO. 93-263
TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

O R D E R

On July 26, 1993, Doe Valley Utilities, Inc. ("Doe Valley") filed its application for Commission approval of proposed increased water and sewer rates. Doe Valley proposed to increase its water rates by 45 percent and its sewer rates by 50 percent.

Commission Staff conducted a field review of Doe Valley's operations for the 12 month test period ending December 31, 1992 and issued its report by Order dated October 7, 1993. In that report, Staff recommended that Doe Valley's water and sewer divisions be allowed to increase their normalized operating revenues by 17.58 and 12.78 percent, respectively. Doe Valley objected to Staff's adjustments and an informal conference was held on November 16, 1993 among Doe Valley, several intervenors, and Staff. Pursuant to information submitted subsequent to the field review and at the informal conference, Staff issued an amended report by Order dated December 9, 1993. Staff now recommends a revenue increase that will increase the water rates by 25.74 percent. Staff's original sewer rate increase recommendation remains unchanged.

The December 9, 1993 Order advised the parties to file comments on the Amended Staff Report or request a hearing or informal conference no later than December 20, 1993, or the case would stand submitted to the Commission for decision. No comments on the Amended Staff Report or requests for a hearing or informal conference have been received.

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

1. The recommendations contained in the Amended 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 in Appendix A and Appendix B, attached hereto and incorporated herein, are the fair, just, and reasonable rates for Doe Valley and will produce gross annual revenues of \$127,354 for water operations and \$28,069 for sewer operations.

IT IS THEREFORE ORDERED that:

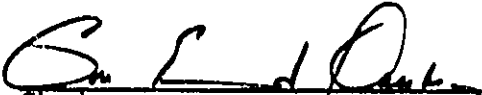
1. The rates proposed by Doe Valley are hereby denied.

2. The rates contained in Appendix A and Appendix B are hereby approved for service rendered by Doe Valley on and after the date of this Order.


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

Done at Frankfort, Kentucky, this 14th day of January, 1994.

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. 93-263 DATED January 14, 1994

The following rates and charges are prescribed for the water customers in the area served by Doe Valley Utilities, 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.

Schedule of Rates

First 3,000 gallons	\$9.90 Minimum Bill
Next 4,000 gallons	2.70 per 1,000 gallons
Over 7,000 gallons	2.50 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-263 DATED January 14, 1994

The following rates and charges are prescribed for the sewer customers in the area served by Doe Valley Utilities, 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.

Schedule of Rates

Monthly Charge

\$6.65