

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF B & H, INC. FOR)	
A RATE ADJUSTMENT PURSUANT TO THE)	CASE NO.
ALTERNATIVE RATE FILING PROCEDURE)	93-307
FOR SMALL UTILITIES)	

O R D E R

On August 25, 1993, B & H, Inc. ("B & H") filed its application for Commission approval of a proposed increase in its rates for sewer service. The proposed rates for sewer service would generate additional annual revenues of \$21,958, an increase of 77 percent above test-year revenues.

B & H requested and received Commission Staff assistance in preparing this application. In July, 1993, Commission Staff conducted a field review of B & H's financial records. Based upon this review, Commission Staff issued its report on November 8, 1993, recommending the proposed rates be accepted.

By Order dated November 8, 1993, B & H and several intervenors were advised to file comments on the Staff Report or request a hearing no later than November 23, 1993, or the case would stand submitted to the Commission for decision. On November 22, 1993, Steven Womack, an intervenor, requested a hearing or informal conference to provide him the opportunity to demonstrate what he believed were errors and omissions in B & H's rate increase request and a hearing was scheduled for December 9, 1993. Commission Staff determined the hearing could not be held as scheduled since one

intervenor, Clara Higgins, had not received the Staff Report or notice of the hearing. Instead, the parties who appeared for the hearing, B & H and Steven Womack, participated in an informal conference with Commission Staff. Ms. Higgins was subsequently sent a copy of the entire main case file.

At that December 9, 1993 conference, all of Mr. Womack's concerns, except one, were addressed to his satisfaction. The exception was the two-tiered rate structure Commission Staff had recommended in their Staff Report. Under this two-tier system, residents who live in single-family units pay \$30.10 per month and those who live in multi-family units pay \$22.80 per month. Commission Staff notified, by letter dated January 28, 1994, the parties to this case that it would not change the recommended rate structure contained in the Staff Report. B & H and the intervenors were granted until February 14, 1994 to request a hearing or informal conference. The Commission did not receive any comments.

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 in Appendix A, attached hereto and incorporated herein, are the fair, just, and reasonable rates for B & H and will produce gross annual revenues of \$51,326. These rates will allow

B & H 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 B & H and contained in Appendix A are approved for service rendered by B & H on and after the date of this Order.


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

Done at Frankfort, Kentucky, this 1st day of March, 1994.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-307 DATED March 1, 1994

The following rates and charges are prescribed for the customers in the area served by B & H, Inc. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rates

Multi-family Units	\$22.80 monthly
Single-family Units	30.10 monthly