

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CENTER RIDGE)
WATER SYSTEM FOR AN ADJUSTMENT OF)
RATES PURSUANT TO THE ALTERNATIVE) CASE NO. 96-003
RATE FILING PROCEDURE FOR SMALL)
UTILITIES)

O R D E R

On January 2, 1996, Center Ridge Water System ("Center Ridge") filed an application with the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:076 seeking approval to increase its tariffed water rates by 59 percent. The proposed rates would generate additional annual revenues of \$4,456.

On September 6, 1995, Commission Staff conducted a field review of Center Ridge's test-period financial records. Based upon this review, Commission Staff issued a report on January 25, 1996, recommending that Center Ridge be allowed to increase its annual operating revenues by the requested amount of \$4,456.

By Order dated January 25, 1996, the Commission advised Center Ridge that comments on the Staff Report or requests for a public hearing must be submitted no later than February 9, 1996, or this case would stand submitted to the Commission for decision. No comments or requests for a hearing have been filed.

The Commission, after consideration of the evidence of record and being 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, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for Center Ridge and will produce gross annual water revenues of \$12,040. These rates will allow Center Ridge sufficient revenues to meet its operating expenses.

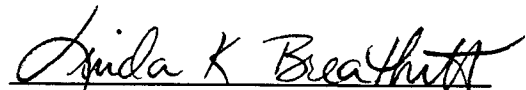
IT IS THEREFORE ORDERED that:


1. The rates in Appendix A are approved for service rendered by Center Ridge on and after the date of this Order.


2. Within 30 days of the date of this Order, Center Ridge shall file with the Commission its revised tariff setting out the rates approved herein in conformance with 807 KAR 5:011.

Done at Frankfort, Kentucky, this 27th day of February, 1996.

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. 96-003 DATED FEBRUARY 27, 1996.

The following rates and charges are prescribed for the
customers in the area served by Center Ridge Water System.

Monthly Rate

\$12.75