

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GILBERT CONSTRUCTION)	
d/b/a GRAHAM ESTATES FOR A RATE)	CASE NO.
ADJUSTMENT PURSUANT TO THE ALTERNATIVE)	99-315
RATE FILING PROCEDURE FOR SMALL UTILITIES)	

ORDER

On September 23, 1999, Gilbert Construction d/b/a Graham Estates ("Graham Estates") filed an application for Commission approval to increase its monthly flat rate of \$15.80 to \$24.10, for an increase of 52.53 percent. The proposed rates would generate additional annual revenues of \$4,679, an increase of 52.51 percent above normalized operating revenues.

By Order dated January 25, 2000, the Commission issued a Staff Report that was prepared upon review of Graham Estates' test-year operations. Staff's report recommended that Graham Estates' current rate be increased by \$2.15 to \$17.95, or 13.61 percent. The Order directed all parties to file comments on the Staff Report or request a hearing or informal conference within 10 days of the date of the Order or the case would stand submitted. The Commission received a request for an informal conference from Graham Estates on February 1, 2000.

A teleconference was held on March 7, 2000, to discuss the application and the Staff Report. During the conference matters not previously brought to Staff's attention arose. It was agreed that Graham Estates would file additional information subsequent to the conference. After reviewing the additional information an Amended Staff Report

was issued by Commission Order dated April 28, 2000. The amended report recommended the Commission approve a monthly rate of \$17.49. The issuing Order granted 10 days to file written comments regarding the Amended Staff Report or requests for a hearing or informal conference. No such comments or requests have been received.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Amended Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission.

2. The rates set forth in Appendix A will produce annual revenue from sewer service of \$9,861 and should be approved as the fair, just, and reasonable rates for Graham Estates.

IT IS THEREFORE ORDERED that:

1. The findings contained in the Amended Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates set forth in Appendix A are approved for service rendered by Graham Estates on and after the date of this Order.

3. The rates proposed by Graham Estates are denied.

4. Within 30 days of the date of this Order, Graham Estates shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 25th day of May, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-315 DATED

The following rates and charges are prescribed for the customers in the area served by Gilbert Construction d/b/a Graham Estates. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Flat Monthly Sewer Rate	\$17.49
-------------------------	---------