

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CUNNINGHAM	)	
WATER DISTRICT FOR AN	)	
ADJUSTMENT OF RATES PURSUANT	)	CASE NO.
TO THE ALTERNATIVE RATE FILING	)	2003-00374
PROCEDURE FOR SMALL UTILITIES	)	

O R D E R

On September 29, 2003, Cunningham Water District ( Cunningham ) filed its application for Commission approval of its proposed water rates. Cunningham proposed to increase its rates to produce additional revenues of \$3,804, an increase of 17.9 percent over normalized revenues of \$21,254. This proposal would increase the average monthly bill for 5,000 gallons of usage from \$12.60 to \$15.30, an increase of 21.4 percent.

By Order dated October 30, 2003, the Commission issued a Staff Report that was prepared upon review of Cunningham's test-year operations. Staff's report recommended that the requested increase be granted. The Order granted 10 days to file written comments regarding the Staff Report or requests for a hearing or informal conference. No such comments or requests were made.

The Commission, having considered 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 should be adopted as the findings of the Commission.

2. The rates in Appendix A will produce annual revenue from water service of \$25,058.

IT IS THEREFORE ORDERED that:

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

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

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

4. Three years from the effective date of this Order, Cunningham shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Done at Frankfort, Kentucky, this 20<sup>th</sup> day of November, 2003.

By the Commission

ATTEST:



Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00374 DATED November 20, 2003

The following rates and charges are prescribed for the customers in the area served by Cunningham Water District. 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.

#### Monthly Water Rates

First	2,000	gallons	\$7.32	Minimum bill
Next	3,000	gallons	2.66	Per 1,000 Gallons
Over	5,000	gallons	1.85	Per 1,000 Gallons