

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CENTER RIDGE)
WATER DISTRICT, INC. FOR AN)
ADJUSTMENT OF RATES PURSUANT) CASE NO. 2003-00424
TO THE ALTERNATIVE RATE FILING)
PROCEDURE FOR SMALL UTILITIES)

O R D E R

On November 14, 2003, Center Ridge Water District, Inc. ("Center Ridge") filed its application for Commission approval of its proposed water rates. Center Ridge proposed to increase its rates to produce additional revenues of \$4,945, an increase of 7.8 percent over normalized revenues from water sales of \$63,120. This proposal would increase Center Ridge's flat rate monthly bill from \$17.25 to \$18.66.

By Order dated January 6, 2004 the Commission issued a Staff Report that was prepared upon review of Center Ridge'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 \$68,065, including \$65,803 from water rates and \$2,262 from other operating revenue.

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 Center Ridge on and after the date of this Order.

3. 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.

4. Three years from the effective date of this Order, Center Ridge 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.

5. Center Ridge shall continue to maintain adequate records to allow the Commission to review the finances of each of its three systems, so as to allow the Commission to determine whether one rate or separate rates should be charged by each system.

Done at Frankfort, Kentucky, this 27th day of January, 2004.

By the Commission

ATTEST:

Wm. H. I. Barker

Executive Director
Deputy

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00424 DATED January 27, 2004

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

Residential Flat Rate	\$18.66
-----------------------	---------