

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CANNONSBURG WATER)
DISTRICT FOR (1) APPROVAL OF EMERGENCY) CASE NO. 2011-00217
RATE RELIEF AND (2) APPROVAL OF THE)
INCREASE IN NONRECURRING CHARGES)

ORDER

On June 27, 2011, Cannonsburg Water District tendered its application for rate adjustment. Upon review of the application, the Executive Director refused to accept the application for filing and advised Cannonsburg District of several deficiencies that required corrective action. On July 25, 2011, Cannonsburg District supplemented its application to cure the noted deficiencies and requested a waiver from 807 KAR 5:001, Section 10(6)(b).

On August 8, 2011, Cannonsburg District renewed its request for a waiver from 807 KAR 5:001, Section 10(6)(b), which requires the submission of written testimony. In support of its renewed request, it noted that any written testimony would not provide any information not already contained in its application. It further noted that, as it had requested interim rate relief and as a hearing would be required upon such request, the testimony provided at that hearing would serve as an effective substitute for written testimony.

Having reviewed the application and request for deviation and being otherwise sufficiently advised, the Commission finds that:

1. Good cause exists to permit Cannonsburg District to deviate from 807 KAR 5:001, Section 10(6)(b).

2. In all other respects, Cannonsburg District's application now meets the requirements of 807 KAR 5:001, Section 10, and should be considered filed as of August 8, 2011.

3. Cannonsburg has notified the Commission of its intent to place its proposed rates into effect on August 22, 2011.

4. An investigation into the reasonableness of the proposed rates is required and such investigation cannot be completed prior to August 22, 2011.

5. Pursuant to KRS 278.190(2), Cannonsburg District's proposed rates should be suspended for a period of five months to permit the Commission to complete its investigation.

6. Cannonsburg District has requested emergency rate relief.

7. A hearing should be held in this matter to determine whether Cannonsburg District's proposed rates should be permitted to become effective prior to the end of the suspension period due to Cannonsburg District's financial condition.

IT IS THEREFORE ORDERED that:

1. Cannonsburg District's request to deviate from 807 KAR 5:001, Section 10(6)(b), is granted.

2. Cannonsburg District's application is considered filed as of August 8, 2011.

3. Cannonsburg District's proposed rates are suspended from August 22, 2011, to January 21, 2012.

4. A hearing on Cannonsburg District's request for its proposed rates to become effective prior to the end of the suspension period due to Cannonsburg District's financial condition shall be held at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, on August 16, 2011, beginning at 10:00 a.m., Eastern Daylight Time.

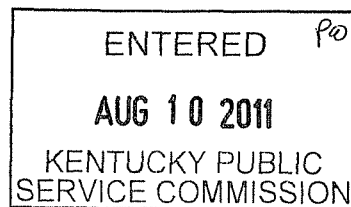
5. Cannonsburg District shall bear the burden of proof at this hearing to demonstrate that its credit or operations will be materially impaired or damaged if the proposed rates are not permitted to become effective prior to January 21, 2012.

6. Cannonsburg District shall file with the Commission, no later than August 14, 2011, a list of the persons it intends to call as witnesses at the scheduled hearing and a summary of each witness's expected testimony.

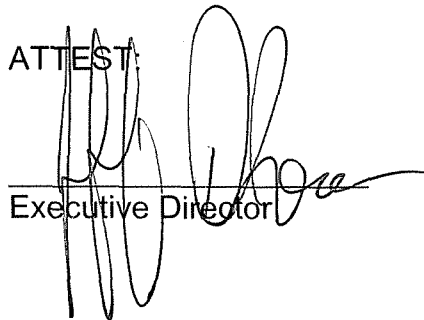
7. Pursuant to KRS 278.360, the record of the formal hearing on Cannonsburg District's request shall be by videotape.

8. Commission Staff shall make a written exhibit list and shall file this list with the Commission with all exhibits and a copy of the video transcript of the hearing.

By the Commission



ATTEST:


Executive Director

Carryn Lee
Lee Utility Consulting
900 Argyll Drive
Danville, KENTUCKY 40422

Robert M McGuire
Chairman
Cannonsburg Water District
1606 Cannonsburg Road
P. O. Box 1535
Ashland, KY 41105

Honorable Sharon E Rowsey
Attorney at Law
Wilson, Stavros & Rowsey
P. O. Box 807
1916 Carter Avenue
Ashland, KENTUCKY 41105-0807