

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE CANNONSBURG)
WATER DISTRICT, INC., A WATER)
DISTRICT ORGANIZED PURSUANT TO)
CHAPTER 74 OF THE KENTUCKY REVISED)
STATUTES OF BOYD COUNTY, KENTUCKY,)
FOR (1) A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY, AUTHOR-)
IZING AND PERMITTING SAID WATER) CASE NO. 9036
DISTRICT TO CONSTRUCT A BOOSTER)
STATION AT BRIARWOOD ESTATES AND THE)
RENOVATION OF TWO STANDBY WATER TANKS)
IN SAID SYSTEM, (2) APPROVAL OF THE)
WATER RATES PROPOSED TO BE CHARGED BY)
THE DISTRICT TO CUSTOMERS OF THE)
DISTRICT)

AND

DICKINSON, ET. AL. VERSUS) CASE NO. 9142
CANNONSBURG WATER DISTRICT)

O R D E R

On November 9, 1984, the Commission issued its Order in Case Nos. 9036 and 9142, denying in full the request of Cannonsburg Water District ("Cannonsburg") for an increase in rates. Cannonsburg's rate for all water sold in excess of 100,000 gallons was increased from 69 cents per 1,000 gallons to \$1.05 per 1,000 gallons to more accurately reflect the actual cost of delivering 1,000 gallons of water. This rate was based on the cost of service study filed by Cannonsburg

and testimony presented at the hearing of September 6, 1984, by Cannonsburg's Office Manager, Accountant, and Engineer.

On November 29, 1984, Cannonsburg filed a Motion for Reconsideration or for a Rehearing ("Motion") wherein it requested the Commission to lower the rate of \$1.05 per 1,000 gallons because of the large increase received by its customer served by a 6-inch connection, Kentucky Electric Steel at Coalton, Kentucky. On December 19, 1984, the Commission issued an Order granting Cannonsburg's Motion and requesting certain information relative to said Motion.

The Commission found in its Order of December 19, 1984, that Cannonsburg's Motion was based on speculation and did not include supporting data but raised serious questions. The Commission further stated that Cannonsburg should have the burden of proof to show by clear and satisfactory evidence that the determination made by the Commission is unreasonable as provided in KRS 278.430, Burden of Proof.

On January 8, 1985, the Commission received Cannonsburg's response to the December 19, 1984, Order. Cannonsburg, in its response, did not furnish any additional information that substantiated its position that the rate of \$1.05 per 1,000 gallons should be decreased. Moreover, the cost of service study filed in its response showed the cost to deliver 1,000 gallons of water to be \$1.05 per 1,000 gallons.

FINDINGS AND ORDERS

The Commission, after consideration of the evidence of record and being advised, is of the opinion that for all reasons previously discussed Cannonsburg's Motion should be denied in total.

IT IS THEREFORE ORDERED that Cannonsburg's Motion for Reconsideration or for a Rehearing be and it hereby is denied in total as previously indicated.

Done at Frankfort, Kentucky, this 1st day of March, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary