

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

KENTUCKY PUBLIC SERVICE COMMISSION	)	
VS.	)	CASE NO. 9385
SANITATION DISTRICT NO. 1 OF	)	
CAMPBELL AND KENTON COUNTIES	)	

O R D E R

On March 27, 1985, the Sanitation District No. 1 of Campbell and Kenton Counties ("Campbell and Kenton") filed an application in Case No. 9310 requesting a Certificate of Public Convenience and Necessity to construct \$23,200,000 of system extensions and improvements; for approval of the proposed financing arrangement issuing Revenue Bonds in the approximate amount of \$15,475,000; and for approval of defeasance of the current outstanding Revenue Bonds amounting to \$20,620,000. On November 13, 1985, Campbell and Kenton filed a revised tariff reflecting a 6 percent reduction in annual revenues which became effective December 3, 1985.

Based upon the Order entered in Case No. 9310, on December 30, 1985, the Commission finds that a public hearing should be held in accordance with KRS 278.270 for Campbell and Kenton to show cause why alternative recapitalization plans should not be utilized, such as defeasance of the current outstanding bonds with the reserves presently maintained in the Special Funds Accounts,


and why, as a result of the capital restructuring, its rates should not be further reduced. Campbell and Kenton shall provide conclusive evidence, through appropriate economic impact studies, that the recapitalization method chosen is preferable to other available options and will be in the best short- and long-run financial interests of the utility and its ratepayers. Additional evidence on why the rates should not be reduced further as a result of the capital restructuring should be included. The proof should include an analysis of all feasible recapitalization plans and Campbell and Kenton may present whatever other evidence it deems appropriate on these issues in its prefiled testimony and at the hearing.


IT IS THEREFORE ORDERED that:


1. Campbell and Kenton shall provide prefiled testimony and supporting documentation of the short- and long-run financial impacts of various capital restructuring options and why, as a result of capital restructuring, its rates should not be reduced, within 30 days of the date of this Order.
2. The record in Case No. 9310 be and it hereby is incorporated into this case by reference.

Done at Frankfort, Kentucky, this 30th day of December, 1985.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary