COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FRIENDLY

UTILITIES, INC., D/B/A FRIENDLY

HILLS EAST SEWER SYSTEM FOR A

RATE ADJUSTMENT PURSUANT TO THE

ALTERNATIVE RATE FILING PROCEDURE

FOR SMALL UTILITIES

CASE NO. 9129

ORDER

On June 16, 1986, the Commission issued an Order in this case in which it required Friendly Utilities, Inc., ("Friendly") to refund to its customers the excess monies collected through the rates in effect from March 22, 1985, through May 7, 1986. On July 7, 1986, Friendly filed for rehearing of the Commisson's Order and requested additional time to present information in support of the rehearing. On July 25, 1986, the Commission granted rehearing for the limited purpose of allowing Friendly additional time to file any information in support of its rehearing. On August 18, 1986, Friendly filed the information in support of its rehearing and requested the Commission to reconsider its Order of June 16, 1986.

The Commission has considered Friendly's request and is of the opinion that the request is without merit. Friendly's additional information is merely a further statement of the arguments included in its objection to the Friendly Hills East Neighborhood Association's original motion for a refund of the excess revenues collected between March 22, 1985, and May 7, 1986. The Commission has previously considered these arguments and finds

nothing in Friendly's supporting information to cause it to alter its earlier decision.

IT IS THEREFORE ORDERED that Friendly's request for rehearing be and it hereby is denied and the Commission's Order of June 16, 1986, be and it hereby is affirmed in all respects.

IT IS FURTHER ORDERED that within 20 days of the date of this Order Friendly should submit a refund plan including such information as was originally required by the Commission's Order of June 16, 1986.

Done at Frankfort, Kentucky, this 4th day of September, 1986.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Ann Millesins

ATTEST:

Executive Director