

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES IN THE EAST)
LOGAN WATER DISTRICT AND FOR)
AUTHORITY TO REAMORTIZE EXISTING) CASE NO. 9440
BOND INDEBTEDNESS)

O R D E R

On October 4, 1985, East Logan Water District ("East Logan") filed an application with the Commission requesting to increase its rates and authority to reamortize its existing indebtedness. The Commission issued its Order in this case on May 15, 1986. On June 5, 1986, East Logan filed its motion for rehearing with the Commission for the purpose of determining the authority to reamortize the existing indebtedness.

In the Order of May 15, 1986, the Commission denied East Logan's request for reamortization of its long-term debt on the grounds that authorization to reamortize had not been received from the Farmers Home Administration ("FmHA") and sufficient documentation had not been provided. East Logan implies in its motion for rehearing that such authorization has been received since the rate increase granted in the May 15, 1986, Order.

The Commission is of the opinion that the interests of East Logan and its customers will best be served by reconsideration of this issue in this proceeding. However, it will be incumbent upon East Logan to provide complete documentation, as required by 807

KAR 5:001(11), of the proposed borrowing as well as the justification of the additional revenue requirements resulting from the reamortization of the long-term debt.

SUMMARY

Based upon the issues presented in the petition for rehearing and the evidence of record and being advised, the Commission hereby finds that:

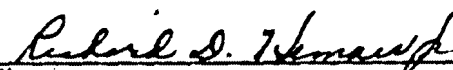
1. A rehearing should be granted on and limited to the issue of reamortization of East Logan's long-term debt.
2. A subsequent Order will set a hearing date and further define the hearing process.
3. The Commission's Order of May 15, 1986, requires no modification at this time, pending the outcome of the rehearing.

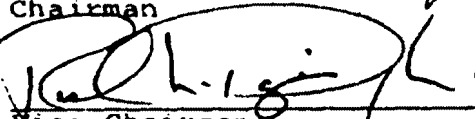
IT IS THEREFORE ORDERED that:

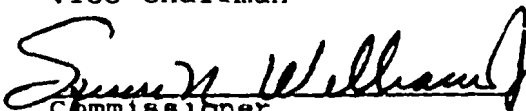
1. East Logan is hereby granted a rehearing on the issue of reamortization of long-term debt.
2. East Logan shall file additional testimony and supporting documentation, enabling the Commission to fully consider this issue, within 30 days from the date of this Order.

Done at Frankfort, Kentucky, this 25th day of June, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary