

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WOOD CREEK WATER )  
DISTRICT, OF LAUREL COUNTY, KENTUCKY, )  
FOR APPROVAL OF CONSTRUCTION, ) CASE NO. 9594  
FINANCING, AND INCREASED WATER RATES )

O R D E R

On January 6, 1987, Wood Creek Water District ("Wood Creek") filed a motion for rehearing in this case. In its motion Wood Creek stated that it had obtained new engineering and economic data and information which supports and reconfirms the original application and its supporting exhibits.

Wood Creek filed the new engineering and economic data and information with the Commission on January 23, 1987.

On January 26, 1987, the Commission granted the motion for the purpose of extending the time for review of the information filed.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Wood Creek's motion and supporting documentation does not adequately address the concerns as outlined in the Commission's Order entered December 23, 1986.
2. Wood Creek's motion for rehearing should be granted to allow an adequate response to be made to the Commission's concerns.

3. Wood Creek should be prepared to offer testimony and written exhibits at the rehearing to respond to the Commission's concerns listed below:

a. Identify and quantify the existing water usage and the expected water usage on a county-wide basis. Also identify the specific location and water utility where this demand occurs and is expected to occur. This should also outline the adequacy of the existing water utilities to serve the present and expected future demands.

b. Identify and quantify any specific improvements necessary on a county-wide basis to satisfy the water usage as outlined in Item a. Also provide a breakdown of the total cost of each of the improvements necessary by category, treatment, transmission and distribution, and by specific water utility involved.

c. Exhibit AA filed with the Commission January 23, 1987, mentions opposition by the U.S. Corps of Engineers and the U.S. Forest Service when considering Laurel River Lake as a source of raw water. Provide written documentation of this opposition.

d. Identify possible alternatives and cost effective solutions to the improvements outlined in Item b.

e. In the initial filing the revenue burden was applied totally to the wholesale and higher usage rate increments. As a part of this reconsideration the reasonableness of the proposed rate design should be addressed. Cost justification

should be supplied supporting this design or any redesign which would more evenly distribute any revenue increase which may be allowed.

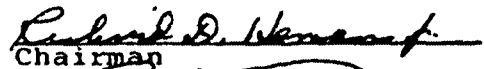
IT IS THEREFORE ORDERED that:

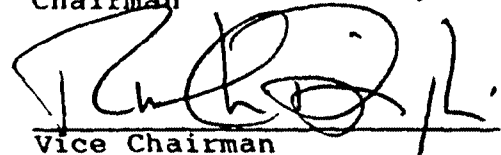
1. Wood Creek's motion for rehearing be and it hereby is granted. Wood Creek shall be prepared to offer testimony and written exhibits at the rehearing to respond to the Commission's concerns as outlined in Finding 3.

2. A hearing is hereby set for March 25, 1987, at 9:00 a.m., Eastern Standard Time, in the Commission's offices, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 24th day of February, 1987.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director