

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WILLOWCREST)
DEVELOPMENT, INC. FOR A RATE)
ADJUSTMENT PURSUANT TO THE) CASE NO. 91-305
ALTERNATIVE RATE FILING PROCEDURE)
FOR SMALL UTILITIES)

O R D E R

On August 23, 1991, Willowcrest Development, Inc. ("Willowcrest") filed its application for Commission approval of a proposed increase in its rates for sewer service. Willowcrest proposed rates for sewer service which would generate additional annual revenues of \$26,096, an increase of 157 percent. On September 27, 1991, Willowcrest Community Association ("Intervenor") intervened in this proceeding.

The Commission Staff ("Staff") conducted a limited field review of Willowcrest's test-period financial records. Based upon this review, Commission Staff issued a report on January 10, 1992, recommending that Willowcrest increase its normalized revenues of \$16,630 by \$12,954.

On February 7, 1992, an informal conference was held at the Commission's offices, at which time Willowcrest and the Intervenor agreed to file additional information concerning the Staff Report. On February 26, 1992, Willowcrest filed its information. The Intervenor filed its comments on March 4, 1992. Staff re-examined

Willowcrest's financial records in conjunction with the additional information filed with the Commission by Willowcrest and the Intervenor. On March 25, 1992, Staff issued an amended report recommending a revised revenue increase of \$18,944.

On April 1, 1992, Willowcrest placed the rates proposed in the amended Staff Report in effect subject to refund pursuant to KRS 278.190(2).

On April 7, 1992, the Intervenor requested a second informal conference. By letter dated April 14, 1992, Commission Staff confirmed a telephone conversation with the Intervenor during which the request for a second informal conference was discussed. The letter advised the Intervenor that it must respond in writing indicating its decision to continue to request an informal conference or a hearing no later than April 20, 1992. As of the date of this Order, no response has been filed by the Intervenor.

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Amended Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission in this proceeding and incorporated by reference as if fully set out herein.

2. The rates in Appendix A, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for Willowcrest and will produce gross annual revenues of \$35,574 for sewer service. These rates will allow Willowcrest sufficient

revenues to meet its annual operating expenses, and provide for future equity growth, including provisions for servicing its debt.

IT IS THEREFORE ORDERED that:

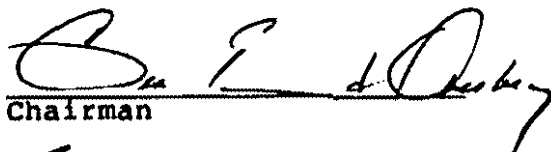
1. The rates proposed by Willowcrest in its application are hereby denied.

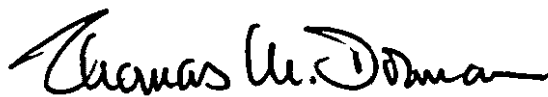
2. The rates in Appendix A are approved for service rendered by Willowcrest on and after the date of this Order.

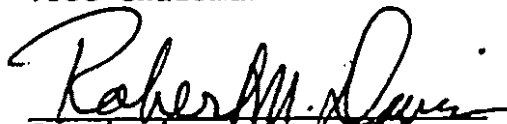
3. Within 30 days of the date of this Order, Willowcrest shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 8th day of May, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 91-305 DATED 5/8/92

The following rates and charges are prescribed for the customers in the area served by Willowcrest Development Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Customers Class

Rates

Residential

\$21.80 per month