

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF AIRVIEW ESTATES, INC.)
FOR AN ADJUSTMENT OF RATES PURSUANT TO) CASE NO.
THE ALTERNATIVE RATE FILING PROCEDURE) 93-007
FOR SMALL UTILITIES)

O R D E R

On January 4, 1993, Airview Estates, Inc. ("Airview") submitted its application seeking to increase its rates pursuant to the Commission's alternative rate filing procedure for small utilities.

To evaluate the reasonableness of the requested increase, the Commission Staff needs to perform a limited financial review of Airview's operations for the test period. In order to schedule this review, Mark Frost of the Commission's Division of Financial Analysis attempted on numerous occasions to contact Fred Schlatter, manager and owner of Airview, by telephone but was unsuccessful.

On February 3, 1993, Staff sent to Schlatter by certified mail a letter directing him to contact Staff by February 13, 1993 to schedule the review. The postal service returned this letter to the Commission on February 25, 1993, because no one had claimed it.

Subsequent to this letter, Staff was informed by counsel for Airview that Schlatter was in Florida. A second letter was sent by certified mail to the Florida address supplied by counsel for Airview directing Schlatter to contact Staff by February 27, 1993

to schedule the review. This letter was also returned to the Commission by the postal service because it went unclaimed.

On March 30, 1993, Airview filed a motion with the Commission requesting that Airview's application be held in abeyance for a period of six months, or until such time as it is determined whether the city of Elizabethtown will annex Airview Estates Subdivision and permit the residents of Airview Estates to tap onto the city of Elizabethtown's sewer treatment system.

As grounds for its motion, Airview cites that if annexation occurs, the rate case would be moot and thus there is no reason for Airview to incur the expense of compiling all of the financial information necessary to proceed with the rate case.

Pursuant to KRS 278.190 the Commission must issue a decision in a rate case within 10 months. Airview's application, filed on January 4, 1993, has already been under review by the Commission for nearly three months. If the Commission were to grant Airview's request, it would be impossible for the Commission to comply with the statutory deadline. Moreover, even if this case is dismissed, Airview possesses the right to file it again at a later date. The costs associated with refiling the case should not be substantial.

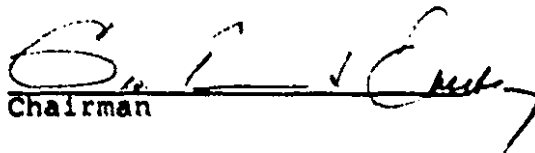
Based upon the foregoing, the Commission HEREBY ORDERS that:

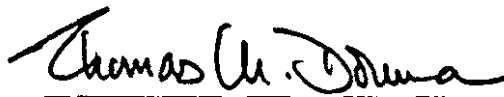
1. Airview's motion to hold this case in abeyance is denied.
2. In the event Airview desires to proceed with the rate case, within 10 days of the date of this Order, Schlatter, or his authorized representative, shall contact the Commission in order to schedule a financial review of Airview's financial operations.

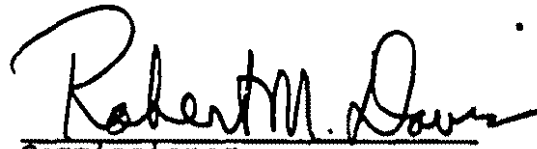
3. If Airview does not contact the Commission within the specified time period, then this case will be dismissed without prejudice without further order of the Commission.

Done at Frankfort, Kentucky, this 2nd day of April, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director