

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF AQUASOURCE UTILITY,)
INC. FOR TRANSFER OF OWNERSHIP) CASE NO. 99-303
RIGHTS OF GOSHEN UTILITIES, INC.)

O R D E R

On November 17, 1999, AquaSource Utility, Inc. ("AquaSource Utility") filed a motion for clarification of the Commission's Order of November 5, 1999. AquaSource Utility states that the Commission's Order contains a typographical error in the amount of unrecorded amortization of Contributions in Aid of Construction. AquaSource Utility requests that the Commission's Order be corrected to accurately reflect the unrecorded amortization amount of \$1,221,826.

AquaSource Utility additionally requests that the record reflect that the analysis provided by AquaSource Utility in Item No. 6 of its October 8, 1999 Response to Request for Additional Information was used as one test of the reasonableness of the purchase price of Goshen Utilities, Inc. ("Goshen") and not to develop the purchase price. It requests that the record also reflect its understanding that the margin allowed Goshen in the last rate case was based on the operating ratio method rather than a return on rate base.

The Commission, having considered the motion, the evidence of record and being otherwise sufficiently advised, finds that the motion should be granted.

IT IS THEREFORE ORDERED that:

1. The amount of unrecorded amortization of Contributions in Aid of Construction stated in the Commission's Order of November 5, 1999 is corrected, nunc pro tunc, to \$1,221,826.

2. The record shall reflect that the analysis provided by AquaSource Utility in Item No. 6 of its October 8, 1999 Response to Request for Additional Information was used as one test of the reasonableness of the purchase price of Goshen and not to develop the purchase price. The record shall further reflect that AquaSource Utility understood the margin allowed Goshen in the last rate case was based on the operating ratio method rather than a return on rate base.

Done at Frankfort, Kentucky, this 11th day of January, 2000.

By the Commission

ATTEST:

Executive Director