

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CEDAR HILLS SANITATION)
DISPOSAL CORPORATION FOR A RATE) CASE NO. 1999-458
ADJUSTMENT PURSUANT TO THE ALTERNATIVE)
RATE FILING PROCEDURE FOR SMALL UTILITIES)

ORDER

On November 12, 1999, Cedar Hills Sanitation Disposal Corporation ("Cedar Hills") applied for an increase in its rates for sewer service that would generate additional annual revenues of \$5,808, an increase of 32.5 percent over normalized test year revenues.¹

On March 20, 2000, Commission Staff submitted to the Commission a written report of its findings and recommendations on Cedar Hills' proposed rate adjustment. This report is based upon Commission Staff's review of Cedar Hills' operations for Calendar Year 1998. In its report, Commission Staff recommended that Cedar Hills be granted a revenue increase of \$4,269, 23.9 percent over normalized test year revenues.

On March 20, 2000, the Commission ordered all parties to submit no later than March 30, 2000 any written comments on the Commission Staff's findings and recommendations or request for conference or hearing in this matter. We further

¹ Cedar Hills tendered its application to the Commission on November 12, 1999. Because of the application's failure to conform to Administrative Regulation 807 KAR 5:076, the Commission rejected the submission. See Letter of Stephanie Bell, Secretary of Public Service Commission, to Anthony Scott Lewis, President, Cedar Hills Sanitation Disposal Corporation (Dec. 15, 1999). Cedar Hills cured these filing deficiencies on January 31, 2000.

ordered that, should no request for conference or hearing be received by that date, this matter would stand submitted for decision. As of this date, we have received no comment or request for conference or hearing.

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

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

2. The rate of \$15.25 per month is the fair, just, and reasonable rate for Cedar Hills and will produce gross annual revenues of \$22,147 based on normalized test year sales. These rates will allow Cedar Hills sufficient revenues to meet its operating expenses, provide for future equity growth, and enable Cedar Hills to service its debt.

3. The rates proposed by Cedar Hills would produce revenue increases in excess of that found reasonable herein and should be denied.

IT IS THEREFORE ORDERED that:

1. Cedar Hills' proposed rate is denied.

2. The rate of \$15.25 per month is approved for service that Cedar Hills renders on and after the date of this Order.

3. Within 20 days of the date of this Order, Cedar Hills shall file with the Commission its revised tariff setting out the rate approved herein.

Done at Frankfort, Kentucky, this 10th day of April, 2000

By the Commission

ATTEST:



Executive Director

APPENDIX A
APPENDIX A TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-503 DATED APRIL 10, 2000

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

Single Family Residential

\$15.25 per Month