COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF HENRY COUNTY WATER DISTRICT NO. 2 FOR APPROVAL TO ADJUST WATER RATES AND CHARGES AND TO IMPLEMENT A SYSTEM DEVELOPMENT CHARGE

CASE NO. 2009-00370

<u>ORDER</u>

Henry County Water District No. 2 ("Henry District") has applied to the Commission for authority to adjust its general rates for water service and to establish a system development charge. It proposes to place its proposed system development charge in effect on March 15, 2010. Having considered the application and being otherwise sufficiently advised, the Commission finds that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of the proposed rate adjustment.

IT IS THEREFORE ORDERED that:

1. Henry District's proposed system development charge is suspended for five months, from March 15, 2010 through August 14, 2010.¹

¹ We find that no action is necessary to suspend Henry District's proposed rates for general water service. No revision to an existing rate schedule may be made unless in compliance with KRS 278.180. That statute provides that the notice of any revision in a rate must state plainly the time when the changed rates will go into effect. As Henry District has not stated an effective date for its proposed general service rates, it has not yet complied with KRS 278.180 and its proposed rates for general water service cannot take effect.

2. The procedural schedule set forth in the Appendix to this Order shall be followed.

3. The style of this proceeding is amended as follows: "Application of Henry County Water District No. 2 for Approval to Adjust Water Rates and Charges and to Implement a System Development Charge."

4. The filing and service of all documents and pleadings in this proceeding shall be in accordance with the Commission's Order of February 5, 2010.

5. When responding to requests for information from a party or Commission Staff, a party shall:

a. Appropriately bind, tab and index the response and include the name of the witness responsible for responding to the questions related to the information provided.

b. File with the Commission the original, a paper copy, and an electronic copy of the response.

c. Answer each response under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, provide a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

d. Make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

Case No. 2009-00370

-2-

e. For any request to which a party fails or refuses to furnish all or part of the requested information, provide a written explanation of the specific grounds for its failure to completely and precisely respond.

6. At any hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

7. Henry District shall publish notice of the scheduled hearing in compliance with KRS 424.300.

8. The official record of the scheduled hearing in this matter shall be by video only.

9. Any request to cancel or postpone the scheduled hearing in this proceeding shall be made by motion filed with the Commission at least one week before the hearing is scheduled to commence.

10. Motions for extensions of time with respect to the procedural schedule set forth in the Appendix shall be made in writing and will be granted only upon a showing of good cause.

By the Commission

ENTERED Mar – 4 2010 COMMISSION

ATTEST Exec

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00370 DATED MAR - 4 2010

Commission Staff and Intervenors shall serve their first set of requests for information upon Henry District no later than
Henry District shall file with the Commission its responses to Commission Staff's and Intervenors' requests for information no later than03/26/10
Commission Staff and Intervenors shall serve their second set of requests for information upon Henry District no later than04/09/10
Henry District shall file with the Commission its responses to Commission Staff's and Intervenors' second set of requests for information no later than04/23/10
Intervenor testimony, if any, shall be filed with the Commission in verified prepared form no later than05/07/10
Commission Staff and any party shall serve their requests for information upon any Intervenor that has filed testimony no later than05/17/10
Intervenors served with requests for information shall file with the Commission their responses to requests for information no later than05/27/10
Henry District may file with the Commission rebuttal testimony, if any, in verified prepared form no later than
A telephone conference call shall be held, beginning at 10:00 a.m., Eastern Daylight Time, to discuss the possibility of settlement, the simplification of issues, the contents of the record and any other matters that may aid in the handling or disposition of this case
Public hearing shall be held at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, beginning at 9:00 a.m., Eastern Daylight Time, for the purpose of cross-examination of witnesses To Be Scheduled

Merle Brewer Chairman Henry County Water District #2 8955 Main Street P. O. Box 219 Campbellsburg, KY 40011

James Simpson Chief Operating Officer Henry County Water District #2 8955 Main Street P. O. Box 219 Campbellsburg, KY 40011

Honorable David Edward Spenard Assistant Attorney General Office of the Attorney General Utility & Rate 1024 Capital Center Drive Suite 200 Frankfort, KY 40601-8204