

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF ) CASE NO. 2012-00375  
MIDDLETOWN WASTE DISPOSAL, INC. )

ORDER

On August 21, 2012, Middletown Waste Disposal, Inc. ("Middletown Waste") tendered for filing its application for an adjustment of its rates for water and sewer service pursuant to the procedures set forth in 807 KAR 5:076. On September 19, 2012, it supplemented its application with a request for a deviation from 807 KAR 5:076, Section 4(b) and (c), to permit the filing of its application without the submission of a copy of its existing promissory notes and their amortization schedules. In support of its request, it noted that such documents are found in the record of Case No. 2009-00227.<sup>1</sup>

Finding sufficient cause to grant the requested deviation and that a procedural schedule should be established to ensure the orderly review of Middletown Waste's application, the Commission HEREBY ORDERS that:

1. Middletown Waste's request for a deviation from 807 KAR 5:076, Section 4(b) and (c) is granted.

2. Middletown Waste's application is considered filed as of the date of this Order.

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<sup>1</sup> Case No. 2009-00227, *Alternative Rate Filing Application of Middletown Waste Disposal, Inc.* (Ky. PSC submitted Jun. 19, 2009). Middletown Waste acknowledged the assistance of a third promissory note, but stated that, in light of the Commission's treatment of interest expense related to this note in its last rate adjustment proceeding, it did not intend to seek recovery through rates for any costs associated with that promissory note. Letter from Jack Kaninberg, Treasurer Middletown Waste Disposal, Inc., to Jeff Derouen, Executive Director, Public Service Commission (Sept. 19, 2012).

3. This proceeding is established to review the reasonableness of Middletown Waste's proposed rates.<sup>2</sup>

4. The record of Case No. 2009-00227 is incorporated by reference into the record of this case.

5. Middletown Waste shall make all documents germane to its application as listed in the Appendix to this Order available for inspection and review at its offices in Louisville, Kentucky, to Commission Staff on a date to be determined and shall have a knowledgeable utility official present to address questions related to the utility's operations and financial affairs.

6. No later than November 30, 2012, Commission Staff shall file with the Commission and serve upon all parties of record a written report containing its findings and recommendations regarding Middletown Waste's requested rate adjustment.

7. The parties shall file with the Commission their written comments on and any objections to the findings and recommendations contained in the Commission Staff Report no later than December 14, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier. Any party may file with such submission any additional evidence for the Commission's consideration.

8. A party's failure to file written objections to a finding or recommendation contained in the Commission Staff Report by December 14, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier, shall be deemed as agreement with that finding or recommendation.

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<sup>2</sup> No action is necessary to suspend the effective date of Middletown Waste's proposed rates for water service. Pursuant to 807 KAR 5:076, Section 7(1), an applicant who applies for a rate adjustment pursuant to the procedures set forth in 807 KAR 5:076 may not place its proposed rates into effect until the Commission approves those rates or six months from the date of the filing of its application.

9. No later than December 14, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier, each party shall notify the Commission in writing whether this matter may be submitted for decision based upon the existing record without hearing.

10. Unless all parties request that this matter be submitted for decision upon the existing record, an informal conference shall be held in this matter on December 20, 2012, at 1:30 p.m., Eastern Standard Time, at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

11. Unless all parties request that this matter be submitted for decision upon the existing record, a formal hearing in this matter shall be held in the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, at a date and time to be announced in a subsequent Order.

12. The acceptance of the findings and recommendations contained in the Commission Staff Report by all parties shall not preclude the Commission from conducting a hearing on the application, taking evidence on Middletown Waste's financial operations, or ordering rates that differ from or conflict with the findings and recommendations contained in the Commission Staff Report.

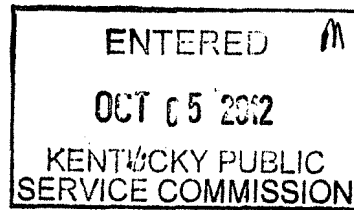
13. Each party shall file with the Commission, no later than January 3, 2013, a list of the persons it intends to call as witnesses at the scheduled hearing and a summary of each witness's testimony.

14. Middletown Waste shall publish notice of the scheduled hearing in accordance with 807 KAR 5:076, Section 11, no more than 21 days and no less than seven days before the day of the scheduled hearing.

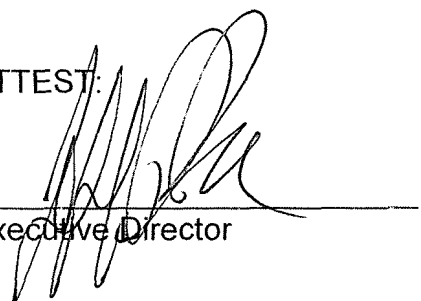
15. Pursuant to KRS 278.360, the record of the formal hearing in this matter shall be by videotape.

16. Commission Staff shall make a written exhibit list and shall file this list with the Commission with all exhibits entered into evidence at the hearing and a copy of the video transcript of the hearing.

By the Commission



ATTEST:

  
Executive Director

## APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2012-00375 DATED OCT 05 2012

### DOCUMENTS TO MAKE AVAILABLE FOR COMMISSION STAFF REVIEW AND INSPECTION

- General ledger and trial balance for the calendar year 2012 to date
- Canceled checks, bank statements and bank reconciliations for all bank accounts for 2011
- Cash receipts journal for the calendar year 2011 and 2012 to date
- Check registers for the calendar year 2011 and 2012 to date for all cash accounts
- Vendor statements and invoices for calendar year 2011 and 2012 to date
- Aged schedule of accounts receivable at December 31, 2010, December 31, 2011, and current period
- Schedule of accounts payable by vendor at December 31, 2010, December 31, 2011, and current period
- Schedule of notes and bonds payable at December 31, 2010, December 31, 2011, and current period
- Copies of all debt agreements/bond ordinances and amortization schedules. Include related party debt
- Monthly billing registers for the calendar year 2011 to current period
- All adjustments made to customer billings during 2011
- Insurance policies for calendar years 2011 and 2012
- Documentation to support the proposed increase in the liability insurance premium
- Customer deposit records
- All documents related to, listing or discussing the duties that the treasurer performs

- Time sheets or other records reflecting the number of hours and type of work the treasurer performs
- Employment agreements or other documents in which the treasurer's salary is discussed
- All documents related to, listing or discussing the duties that the owner/manager performs
- Time sheets or other records reflecting the number of hours and type of work the owner/manager performs
- Copies of the electricity invoices for the calendar year 2011 and 2012 to date
- Sales tax returns for the calendar year 2011
- School tax returns for the calendar year 2011
- Schedule of utility plant in service and related depreciation in the most detailed format available

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