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Commissioner
Department of Public Protection

November 30, 2006

S. C. Smotherman, Jr.
North Logan Water District #1
3118 Lewisburg Road
Russellville, KY 42276

RE: Case No 2006-00498
Filing Deficiencies

The Commission staff has reviewed your application in the above case. This filing is rejected for the reasons set forth below.

1. Filing deficiencies pursuant to 807 KAR 5:001:

807 KAR 5:001: Section 8(3) If applicant is a corporation, a certified copy of its Articles of Incorporation and all amendments thereto, if any, shall be annexed to the application. If applicant's Articles of Incorporation and amendments thereto, if any, have already been filed with the Commission in some prior proceeding, it will be sufficient if this fact is stated in the application and reference is made to the style and case number of the prior proceeding.

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2. Filing deficiencies pursuant to 807 KAR 5:011:

807 KAR 5:011: Section 10(1)(a) - Cost justification for each rate change proposed.

807 KAR 5:011: Section 10(1)(a) - Full description of the equipment item(s) or the service(s) for which the rate change is proposed.

807 KAR 5:011: Section 10(1)(b) Statement by utility confirming that copy of filing was simultaneously sent to the Attorney General (Attorney General has 10 days to notify PSC if he requests a hearing.)

807 KAR 5:011: Section 10(2) If the additional revenue to be generated from the proposed tariff revisions exceeds by five (5) percent the total revenues provided by all miscellaneous and non-recurring charges for a recent twelve (12) month period, the utility must file, in addition to the information set out in subsection (1)(a) of this section, the following: An absorption test showing that the additional net income generated by the tariff filing will not result in an increase in the rate of return (or other applicable valuation methods) to a level greater than that allowed in the most recent rate case. Any general rate increases received during the twelve (12) month period must be annualized. Any significant cost changes may be included but must be documented as part of the filing.

807 KAR 5:011: Section 8 If copy of public notice is included, did it meet requirements? (For sewers, direct mailing is required. See KRS 278.185)

807 KAR 5:011: Section 8, 9(2) Is copy of public notice included?

3. Filing deficiencies pursuant to KRS 278.180

KRS 278.180 Has 30 days' notice been given to the Commission? (No effective date means no notice given and this is acceptable.)

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiencies voids that proposed effective date. When you file the required information to correct the deficiencies, you may refile your proposed tariff with a new proposed effective date that is at least 30 days from the date you file the required information. You are requested to file 10 copies of this information within 15 days of this letter. If you need further assistance, please contact Jason Green at 502/564-3940 ext. 470.

Sincerely,



Mike Burford
Director Division of Filings

MB/MB