

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF POWELL'S VALLEY WATER)	
DISTRICT, SEWER DIVISION, FOR AN)	
ADJUSTMENT IN RATES PURSUANT TO THE)	CASE NO.
ALTERNATIVE RATE FILING PROCEDURE)	2008-00506
FOR SMALL UTILITIES)	

APPLICATION OF POWELL'S VALLEY WATER)	
DISTRICT FOR THE APPROVAL OF THE)	CASE NO.
PROPOSED INCREASE IN RATES FOR)	2008-00512
WATER SERVICE)	

ORDER

On April 14, 2009, the Commission adopted the findings of the Staff Report and approved an increase in Powell's Valley Water District's ("Powell's Valley") rates for water service. In its report, Commission Staff noted its inability to conduct a review of Powell's Valley's financial records because there was no clear audit trail linking the individual invoices to the entries reported in the test-period General Ledger. Accordingly, the Commission ordered Powell's Valley to implement an adequate accounting system within 45 days.

On April 28, 2009, Powell's Valley submitted a letter to the Commission in which it states that it will not be able to obtain a new computer system and software system to implement a new accounting system within the time period allotted by the Order. The Commission shall consider Powell's Valley's letter to be an application for rehearing on the sole issue of the time-line for implementing a new accounting system. Based on

Powell's Valley's application and being otherwise sufficiently advised, the Commission finds good cause to grant rehearing on the issue of when Powell's Valley must implement an adequate accounting system.

IT IS THEREFORE ORDERED that:

1. Powell's Valley's application for rehearing is granted.
2. Powell's Valley shall, no later than May 28, 2009, file with the Commission the original and six copies of the information listed in the Appendix, with a copy to all parties of record.
 - a. Responses to requests for information shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided.
 - b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by 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.
 - c. Any party shall 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.
 - d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00506 AND 2008-00512 DATED
MAY 18 2009

1. Describe, in detail, the new computer system and software that Powell's Valley seeks to acquire in order to comply with the Commission's mandate to update the utility's accounting system.
2. Describe, in detail, any alternative systems that Powell's Valley has considered that could satisfy the Commission's directive to implement an adequate accounting system.
3. Identify all costs associated with acquiring a new computer system and software.
4. State how Powell's Valley plans to fund a new computer system and software.
5. Provide a copy of all minutes from the Powell's Valley Board of Commissioners within the past 12 months in which a new accounting system or computer system was discussed.
6. Provide a proposed time-line that would reasonably allow Powell's Valley the ability to acquire a computer system and software in accordance with the Commission's directive to implement an adequate accounting system.

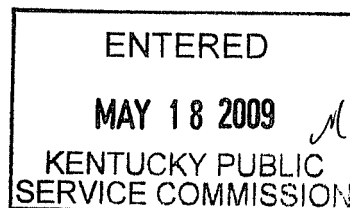
3. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

4. All documents that this Order requires to be filed with the Commission shall be served upon all other parties.

5. To be timely filed with the Commission, a document must be received by the Commission within the specified time for filing, except that any document shall be deemed timely filed if it has been transmitted by United States express mail, or by other recognized mail carriers, with the date the transmitting agency received said document from the sender noted by the transmitting agency on the outside of the container used for transmitting, within the time allowed for filing.

6. Service of any document or pleading shall be made in accordance with 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

By the Commission



ATTEST:



Executive Director

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