

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SYMSONIA WATER DISTRICT)
FOR APPROVAL OF A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY FOR) CASE NO. 2012-00517
CONSTRUCTION OF WATER FACILITIES,)
FINANCING AND INCREASED RATES FOR)
WATER AND SEWER SERVICE)

ORDER

On November 29, 2012, Symsonia Water District ("Symsonia District") tendered an application for a Certificate of Public Convenience and Necessity, authorization to execute an Assistance Agreement with Kentucky Infrastructure Authority to borrow \$300,000, and an adjustment of its rates for water and sewer service. On December 7 and 14, 2012, Symsonia District supplemented its application to comply with the requirements of 807 KAR 5:001. On December 12, 2012, the authorized representative of the Commission's Executive Director accepted the application for filing purposes.

The Commission's review of the application, however, indicates that the application fails to comply with 807 KAR 5:001, Section 17(2)(a), which requires the filing of a financial exhibit covering "operations for a twelve (12) month period . . . ending not more than ninety (90) days prior to the date the application is filed."¹ Symsonia District has provided financial statements for calendar year ending December 31, 2011.

¹ 807 KAR 5:001, Section 12. 807 KAR 5:001, Section 17(2)(a), refers to Section 12. At the time of Symsonia District's initial submission, this requirement was found at 807 KAR 5:001, Section 11. The Commission recently amended 807 KAR 5:001. As a result of this amendment, 807 KAR 5:001, Section 11, is now 807 KAR 5:001, Section 17.

Accordingly, its application still does not meet the requirements of 807 KAR 5:001 and cannot be accepted for filing unless a waiver of those requirements is granted.

807 KAR 5:001, Section 21, provides the Commission with authority to permit deviations from our Rules of Procedure for good cause shown. Having reviewed the filing, we find that the financial information contained in the application is sufficient for the Commission to commence its review of Symsonia District's application. Delaying the start of these proceedings by requiring the submission of a more recent detailed income statement and balance sheet, monthly managerial reports, and a more recent capital construction budget would, in the Commission's opinion, result in increased rate case expense without comparable benefit to ratepayers. Accordingly, the Commission on its own motion, will permit Symsonia District to deviate from the requirements of 807 KAR 5:001, Section 17(2)(a), and will consider its application as filed as of this date.

Pursuant to KRS 278.180, a utility is required to provide the Commission with 30 days' notice prior to any change in rates. As Symsonia District's application has been accepted for filing this day, its notice is deemed this day and its proposed rates may be placed into effect 30 days from the date of this Order.

Pursuant to KRS 278.190(2), the Commission may suspend the operation of the proposed rates for a period no longer than five months to investigate the reasonableness of the proposed rates. We find that the proposed rates should be so suspended to permit a thorough review of their reasonableness and that a procedural schedule should be established to ensure an orderly review process. We further find that, as this review is likely to take longer than 60 days, good cause exists to continue

generally the review period for Symsonia District's application for authorization to the execute an Assistance Agreement with KIA.

IT IS THEREFORE ORDERED that:

1. Symsonia District is granted leave to deviate from 807 KAR 5:001, Section 17(2)(a).
2. Symsonia District's application is considered filed as of the date of this Order.
3. Symsonia District's notice of proposed rate adjustment to the Commission is deemed effective as of the date of this Order.
4. The rates set forth in Symsonia District's application are suspended up to and including July 24, 2013.
5. The period for review of Symsonia District's application for authorization to execute an Assistance Agreement with KIA is continued generally.
6. No later than April 1, 2013, Commission Staff shall file with the Commission and serve upon all parties of record a written report containing its findings and recommendations regarding Symsonia District'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 April 15, 2013, 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 April 15, 2013, 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.

9. No later than April 15, 2013, 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 May 8, 2013 at 1:30 p.m., Eastern Daylight 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 Symsonia District'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 May 15, 2013, a list of the persons it intends to call as witnesses at the scheduled hearing and a summary of each witness's testimony.

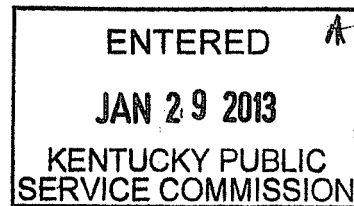
14. Symsonia District shall publish notice of the scheduled hearing in accordance with 807 KAR 5:076, Section 11, no more than 21 days and no less than seven days before the day of the scheduled hearing.

15. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9)(a), the record of the formal hearing in this matter shall be by videotape.

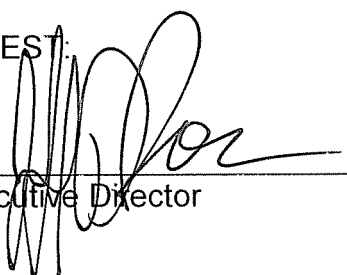
16. Commission Staff shall make a written exhibit list and shall file this list with the Commission with all exhibits entered into evidence at the hearing and a copy of the video transcript of the hearing.

17. Nothing contained in this Order shall preclude the Commission from requiring the production of information regarding Symsonia District's financial condition or operations since December 31, 2011.

By the Commission



ATTEST:



Executive Director

Keith Cooper
Chairman
Symsonia Water District
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Symsonia, KY 42082-9801