

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of

RED WING UTILITY CO., INC.)
APPLICATION AND PETITION)
FOR AN ORDER APPROVING UNI-)
FORM RATES FOR THE SEWERAGE)
TREATMENT FACILITIES LOCATED) CASE NO. 7371
IN HIGHLAND CLUB ESTATES)
SUBDIVISION, MAYFIELD)
GRAVES COUNTY, KENTUCKY)

Order Reopening Case

On July 10, 1979, the Utility Regulatory Commission ("Commission") issued an order after an evidentiary hearing in the above-referenced case establishing an initial rate of \$25.45 per month for Red Wing Utility Company to charge for providing sewerage service to the residents of the Highland Club Estates in Mayfield, Kentucky. Since this was an initial rate with no customers being charged under an old rate at the time of the application, the provisions of KRS 278.185(1) requiring notice to existing "customers" did not apply. However, since several homes were already hooked-up and being provided service without charge at the time of Red Wing's application to this Commission, these residents felt they had been deprived of their rights to intervene and oppose the rate as a result of the lack of any notice. The basis of the residents opposition to the rate apparently stems from the fact that the original developer of Highland Club Estates represented to the potential home owners that their rate would be less than the \$25.45 per month approved by this Commission. The Commission has previously pointed out that agreements, "understandings" and even written contracts between a utility or developer and customers or prospective customers of said utility are not binding on a rate

making agency.^{1/} However, to insure that all affected parties feel that they have had an opportunity to be heard in this matter, the Commission will exercise its equitable powers and reopen this proceeding for new evidentiary hearings in which the residents of Highland Club Estates may participate.

Based upon the above-recited facts and being advised, the Commission hereby ORDERS that the Order issued July 10, 1979, is hereby rescinded and Case No. 7371 is hereby re-docketed for new hearings.

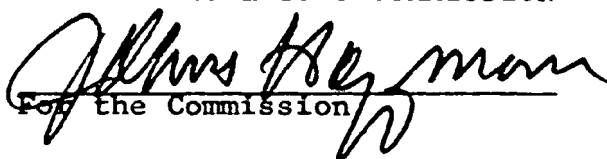
IT IS FURTHER ORDERED That this case be and it hereby is set for hearing on December 4, 1980 at 1:30 p.m., E. S. T., in the Commission's offices at Frankfort, Kentucky.

IT IS FURTHER ORDERED That Red Wing Utility Company, Inc. shall at least twenty days prior to the date of hearing mail to each customer a typewritten or printed notice of the rates it originally proposed in this case and an estimate of the probable financial impact upon the customers. Said notice shall also include the place, date and hour of hearing.

IT IS FURTHER ORDERED That Red Wing's original Application submitted on March 15, 1979, shall constitute all of the material required of the Company for this proceeding unless further information is requested by order of the Commission.

Done at Frankfort, Kentucky, this 5th day of November, 1980.

UTILITY REGULATORY COMMISSION


For the Commission

ATTEST:

Secretary

^{1/} Case No. 7543 - Jim & Vivian Cooper v. Red Wing Utility Company, issued July 2, 1980, p. 2.