

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES)
OF FANCY FARM) CASE NO. 8685
WATER DISTRICT)

ORDER DENYING REHEARING

On February 14, 1983, the Commission issued an Order in the above styled matter denying a proposed increase in water rates of Fancy Farm Water District ("Fancy Farm"). On March 7, 1983, Fancy Farm filed its application for rehearing. In support of the motion for rehearing, Fancy Farm stated that the Commission did not request evidence concerning pro forma adjustments to test period expenditures to support the rate increase. Fancy Farm further stated that additional evidence regarding pro forma adjustments can be presented which it believes will support the rate increase.

The Commission's determination in this matter was based on the evidence of record. Pursuant to KRS 278.190, the burden of proof to show that an increase is just and reasonable is on the utility. In requesting information, the Commission's responsibility is not to develop the utility's case but rather to clarify the issues so that a reasonable determination can be made based on the evidence presented. The Commission is of the opinion that sufficient evidence was available for an adequate determination.

Fancy Farm stated that it has additional information regarding pro forma adjustments to support the rate increase. This additional information would of necessity be based on 1981 data, since 1981 was the test period in this case. Because Fancy Farm in its original application stated that no significant changes had occurred in revenues and expenses since the 1981 report, the Commission is of the opinion that additional data would not materially affect the original decision. Furthermore, the Commission is of the opinion that if Fancy Farms's expenses have increased considerably it would be more advantageous and less costly for Fancy Farm to file a new application based on the calendar year 1982 rather than to adjust 1981 data.

Thus the Commission is of the opinion that Fancy Farm's application should be denied.

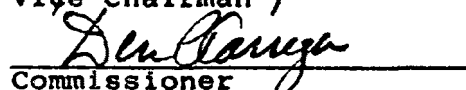
IT IS THEREFORE ORDERED that the application for rehearing be and it hereby is denied.

Done at Frankfort, Kentucky, this 25th day of March, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary