

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF YORKTOWN SEWAGE)
TREATMENT FACILITIES, INC., FOR)
AN ADJUSTMENT OF RATES PURSUANT) CASE NO. 8759
TO THE ALTERNATIVE PROCEDURE FOR)
SMALL UTILITIES)

O R D E R

IT IS ORDERED that Yorktown Sewage Treatment Facilities, Inc., ("Yorktown") shall file an original and seven copies of the following information with the Commission with a copy to all parties of record by July 22, 1983. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

In connection with this rate case, Yorktown has included rate case expense of \$4,507 to be amortized over 3 years. Of the total amount, \$3,857 is listed as legal fees billed to Yorktown by Amshoff and Amshoff, Attorneys. In response to an information request issued by the Commission on February 24, 1983, Yorktown submitted information indicating the time records of Amshoff and Amshoff showed that 40.6 hours had been spent on this case at \$95 per hour.

The Alternative Rate Filing Procedure, 807 KAR 5:076, was developed and implemented by the Commission to substantially reduce professional assistance in the

preparation of rate cases. The Commission is definitely concerned with the legal fees in this case relative to the number of hours spent by the attorneys in the preparation of the case and the hourly rate charged to Yorktown. The Commission, therefore, notifies Yorktown that these legal fees will be disallowed entirely unless it is furnished full and reasonable justification supporting the necessity for the services rendered related to the number of hours and hourly rate including full justification that this expense should be borne by the ratepayers rather than the owners. Moreover, Yorktown should further respond concerning the choice of law firms, as it is the Commission's experience that most similarly-sized utilities located in the vicinity of Jefferson County, Kentucky, have engaged legal assistance at hourly rates not exceeding \$60 per hour. Therefore, Yorktown should describe its method of choosing a legal firm including a description of all legal firms considered and the quoted hourly fees.

Done at Frankfort, Kentucky, this 13th day of July, 1983.

PUBLIC SERVICE COMMISSION


By the Commission

ATTEST:

Secretary