

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

ADJUSTMENT OF THE RATES OF)
AUXIER ROAD GAS COMPANY, INC.,) CASE NO. 8768
FOR AN INCREASE IN GAS RATES)

O R D E R

IT IS ORDERED That this case be and it hereby is set for hearing on May 4, 1983, at 10:00 a.m., Eastern Daylight Time, in the Commission's offices at Frankfort, Kentucky, for the purpose of considering the request of Auxier Road Gas Company, Inc., for an interim increase in rates during the pendency of this matter.

IT IS FURTHER ORDERED That Auxier Road Gas shall give notice of the hearing in accordance with the provisions of 807 KAR 5:011, Section 8 (Tariffs).

IT IS FURTHER ORDERED That the proposed rates, charges and classifications be and they hereby are suspended and the application of the rates is deferred for five months on and after the 17th day of April, 1983.

IT IS FURTHER ORDERED That Auxier Road Gas shall file testimony and information in accordance with the guidelines attached hereto (Appendix A).

IT IS FURTHER ORDERED That the testimony shall be submitted in verified prepared form and that the testimony and information required by the guidelines shall be filed by April 20, 1983.

IT IS FURTHER ORDERED That nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 31st day of March, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

APPENDIX A

Guidelines for Applications for Interim Rate Relief

1. As part of its application for rate relief, or as a subsequent motion, an applicant may apply for an interim order pursuant to KRS 278.190 where it proves that non-discretionary expenditures have been incurred, or prior to the expiration of five months will be incurred, that cannot reasonably be paid without materially impairing the credit or operations of the utility.

2. As part of its application or as subsequent motion, the request must include, at the minimum, the following information:

(a) Prefiled testimony supporting the interim rate request as well as testimony addressing any and all cost savings and productivity measures instituted by the applicant in response to this expenditure. Include details of any extraordinary items occurring during the base period which affect revenue and/or expense used to support the need for interim relief.

(b) Verifiable proof that such expenditure has or will be incurred in the time frame set out in paragraph 1 above.

(c) A monthly cash flow analysis showing the effects of 2(a) and 2(b) above for each month prior to the expected final order in applicant's general rate case.

(d) Proposed rates to recover the additional revenue required, developed in accordance with the most recently approved rate design structure.

3.(a) The hearing for interim rate relief normally will be scheduled for a day within the fourth week after the application therefor has been received. Public notice of the hearing must be made by the applicant pursuant to Commission regulations.

(b) At such hearing, proof and cross-examination will normally be limited to matters relevant to the issues stated in paragraphs 1 and 2 above.

4. Due to the expeditious and interlocutory nature of the hearing for interim rate relief, the use of additional information requests is impractical and will be allowed only on just cause.

5. The burden of proof that the conditions in paragraphs 1 and 2 above exist rests solely with the applicant. The Commission will not consider as a part of any interim rate relief pro forma

adjustments which are clearly outside its established rate-making policy and may, on its own motion, deny said application with or without hearing, if these conditions are not met.

6. The Commission expects to issue an interim order within three weeks after the hearing. Any rate relief granted will be subject to refund and will be in the form of a summary decision and order and will not be considered to be a final adjudication on any of the issues presented at the hearing or included in the summary decision. All issues involved therein will be addressed in the Commission's final order and evidence related thereto may be presented at the subsequent full hearing on the general rate increase, which will be treated as a de novo hearing.