

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

THE JOINT APPLICATION OF TREE-)
LINE UTILITIES, INC., D/B/A TREE-)
LINE ESTATES SEWER SYSTEM AND)
BALDWIN UNITED MORTGAGE COMPANY,)
BY COLWELL REALTY INVESTMENT,)
INC. OWNER OF TREASURE ISLAND)
EAST SEWER SYSTEM FOR APPROVAL:) CASE NO. 8934
OF SALE AND PURCHASE OF ASSETS:)
A CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO CONSTRUCT: TO ISSUE)
NOTES TO FINANCE CONSTRUCTION:)
AND APPROVAL OF INCREASE OF RATES)

ORDER ON REHEARING

In its Order entered July 6, 1984, in this case, the Commission denied interest expense on the approved financing of \$34,140, the proceeds of which to be used to construct the approved tertiary treatment plant since Tree-Line Utilities, Inc., ("Tree-Line") had neither obtained nor filed a formal agreement for financing from a lending institution with the Commission. The Commission did, however, in that Order state that should Tree-Line obtain a formal agreement of financing and file said agreement within 20 days, the Commission would reconsider allowing the interest expense on the financing in an Order on rehearing.

On July 24, 1984, Tree-Line filed a petition for rehearing solely on the issue of interest expense and further submitted a formal lease proposal from Citizens Fidelity Leasing Corporation ("Citizens Fidelity") and its letter of acceptance of said

proposal. The interest rate of the accepted proposal is at an interest rate of Citizens Fidelity's current prime rate plus 1/2 percent. On August 1, 1984, Citizens Fidelity's prime rate was 13 percent. Therefore the additional interest expense on the financing of \$34,140 at 13-1/2 percent is \$4,609.

FINDINGS AND ORDERS

The Commission, after being advised, is of the opinion and finds that:

1. Tree-Line's petition for rehearing should be accepted, but no formal hearing is necessary or in the public interest.

2. Tree-Line has supplied sufficient documentation to meet the requirements of a formal agreement on financing and the terms of said financing are reasonable.

3. Tree-Line should be entitled to increase its revenues by \$4,609 to offset the increase in interest expense.

4. The rates in Appendix A are the fair, just and reasonable rates for Tree-Line to charge for sewer service rendered on and after the date of this Order.

IT IS THEREFORE ORDERED that Tree-Line's petition for rehearing be and it hereby is approved.

IT IS FURTHER ORDERED that no formal hearing shall be held.

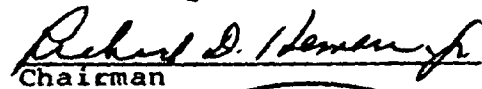
IT IS FURTHER ORDERED that the rates in Appendix A are the fair, just and reasonable rates for Tree-Line to charge for sewage service on and after the date of this Order.

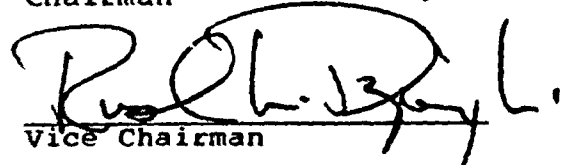
IT IS FURTHER ORDERED that all provisions of the Order in this case entered July 6, 1984, not specifically changed herein shall remain in full force and effect.

IT IS FURTHER ORDERED that, within 30 days of the date of this Order, Tree-Line shall file with this Commission its tariff sheets setting forth the rates approved herein.

Done at Frankfort, Kentucky, this 13th day of August, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8934 DATED 8/13/84

The following rates are prescribed for the customers in the area served by Tree-Line Utilities, Inc., d/b/a Treasure Island East Sewer System located in Jefferson County, Kentucky. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES: Monthly

Single Family Residential	\$23.56 per Residence
Multi Family Residential	17.72 per Apartment
All Other	45.11 per Residential Equivalent ¹

¹ The number of residential equivalents and/or fractional parts thereof shall be determined by dividing the customer's average monthly water consumption in gallons by 12,000 gallons. The minimum bill for this type service shall be \$45.11.