

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE CANNONSBURG)
WATER DISTRICT, INC., A WATER DISTRICT)
ORGANIZED PURSUANT TO CHAPTER 74 OF)
THE KENTUCKY REVISED STATUTES OF BOYD)
COUNTY, KENTUCKY, FOR (1) A CERTIFI-)
CATE OF PUBLIC CONVENIENCE AND)
NECESSITY, AUTHORIZING AND PERMITTING) CASE NO. 9036
SAID WATER DISTRICT TO CONSTRUCT A)
BOOSTER STATION AT BRIARWOOD ESTATES)
AND THE RENOVATION OF TWO STANDPIPE)
WATER TANKS IN SAID SYSTEM (2) APPROVAL)
OF THE WATER RATES PROPOSED TO BE)
CHARGED BY THE DISTRICT OF CUSTOMERS)
OF THE DISTRICT)

AND

DICKINSON, ET. AL VERSUS) CASE NO. 9142
CANNONSBURG WATER DISTRICT)

O R D E R

On April 10, 1984, Cannonsburg Water District ("Cannonsburg") filed its application with this Commission seeking to increase its rates and charges. Based on considerations and determinations set out in its Order in Case Nos. 9036 and 9142, the Commission did not grant Cannonsburg an increase in revenue.

Cannonsburg's rate for all water sold in excess of 100,000 gallons was increased from 69 cents per 1,000 gallons to \$1.05 per 1,000 gallons based on information contained in the application and testimony presented at the hearing of

September 6, 1984. This increase resulted in some customers receiving a decrease in rates since additional operating revenues were not granted to Cannonsburg.

On November 29, 1984, Cannonsburg filed a Motion and Petition to Reconsider, or for a formal hearing, to be held in this matter, because of the adjustment in the rate of all water sold in excess of 100,000 gallons made by the Commission. The Motion and Petition filed does not include supporting data but raises serious concerns; therefore, the Commission is of the opinion and finds that:

1. The Motion and Petition to Reconsider should be granted.
2. Cannonsburg should have the burden of proof to show by clear and satisfactory evidence that the determination made by the Commission is unreasonable as provided in KRS 278.430, Burden of Proof.
3. Cannonsburg should file a cost of service study to show its present cost of delivering 1,000 gallons of water setting out variable and fixed costs.
4. Cannonsburg should further explain its likelihood of losing any large volume users because of its present rates, and any other information it deems necessary in support of its Petition and Motion.
5. At such time that a hearing date is set, Cannonsburg should serve notice on its customers in the same manner as

notice of the original hearing, including a statement that an increase in rates could result from the rehearing and reconsideration.


IT IS THEREFORE ORDERED that the Motion for Reconsideration or for Rehearing shall be granted.


IT IS FURTHER ORDERED that Cannonsburg shall file cost of service data to show its present cost of delivering water, and any other information it deems relevant as stated in Findings 2, 3, and 4 within 20 days from the date of this Order.

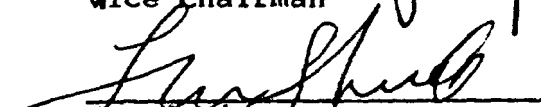
IT IS FURTHER ORDERED that Cannonsburg shall notify its customers of said rehearing in the same manner as notice of the original hearing pursuant to KRS 278.400, Rehearing.

Done at Frankfort, Kentucky, this 19th day of December, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Wice Chairman


Commissioner

ATTEST:

Secretary