

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CANEY CREEK)
WATER AND SEWER DISTRICT FOR A RATE)
ADJUSTMENT PURSUANT TO THE) CASE NO. 9611
ALTERNATIVE RATE FILING PROCEDURE)
FOR SMALL UTILITIES)

O R D E R

On June 19, 1986, Caney Creek Water and Sewer District ("Caney Creek") filed an application with the Commission to increase its rates pursuant to 807 KAR 5:076, Alternative Rate Adjustment Procedure for Small Utilities ("ARF"). The Commission issued its Order in this case on October 6, 1986. On October 15, 1986, Caney Creek filed its petition for rehearing.

Caney Creek filed its petition under the ARF rules. A public hearing was not requested in this proceeding and, pursuant to the ARF rules, no hearing was held. In the petition, Caney Creek states that a hearing was not requested upon receipt of the staff's audit report since only minor adjustments were involved. However, Caney Creek further states that had it known that additional, substantial adjustments to depreciation and interest were to be made, a hearing would have been requested. Additionally, Caney Creek states that it can substantiate that the operating expenses warrant a greater increase than granted.

The Commission is of the opinion that a rehearing on, and limited to, the issues in Caney Creek's petition should be

allowed. Caney Creek should file, within 30 days of the date of this Order, whatever information it deems necessary to address the adjustments to depreciation and interest, and to substantiate that the operating expenses warrant a greater increase than granted.

A subsequent Order scheduling the date of the public hearing will be issued after the above information has been filed. The Commission reserves the right to request additional information with regard to the issues being reconsidered and to affirm its original Order in this case.

SUMMARY

Based upon the issues presented in the petition for rehearing, the evidence of record and being advised, the Commission hereby finds that:

1. A rehearing should be granted on and limited to the issues in Caney Creek's petition.
2. A subsequent Order will set a hearing date and further define the hearing process.
3. The Commission's Order of October 6, 1986, requires no modification at this time, pending the results of the rehearing.

IT IS THEREFORE ORDERED that:

1. Caney Creek is hereby granted a rehearing on the issues contained in its petition.
2. Caney Creek shall file additional testimony and supporting documentation, enabling the Commission to fully consider the issues, within 30 days of the date of this Order.

Done at Frankfort, Kentucky, this 3rd day of November, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Wernant
Chairman

[Signature]
Vice Chairman

[Signature]
Commissioner

ATTEST:

Executive Director