

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BIG SANDY)
WATER DISTRICT FOR THE INCREASE) CASE NO. 9653
AND ESTABLISHMENT OF CERTAIN)
NON-RECURRING CHARGES)

O R D E R

On January 10, 1986, Big Sandy Water District ("Big Sandy") filed tariffs with the Commission to increase certain non-recurring charges.

On January 16, 1986, information pursuant to 807 KAR 5:011, Section 10, was requested from Big Sandy. Only cost justification for the charges was received.

On July 2, 1986, following an inspection by Commission staff, Big Sandy submitted inaccurate cost justification schedules for the establishment of certain non-recurring charges. No tariffs for these charges were filed.

The Commission is of the opinion and finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed rates.

Pursuant to 807 KAR 5:011, Section 10, Big Sandy must submit the following information:

1. Each requested rate revision must be accompanied by:
 - (a) A copy of the public notice of each requested rate revision and verification that it has been made pursuant to 807 KAR 5:011, Section 8. In addition to the notice requirements

contained in Section 8 of this regulation, the utility shall also mail a copy of its filing to the Attorney General's Consumer Protection Division. The Attorney General will then have 10 days to notify the Commission in writing if it requests a hearing in a particular case.

(b) A detailed statement explaining why the proposed changes could not have been included in the most previous general rate case, and why current conditions prevent deferring the proposed changes until the next general rate request.

(c) An impact statement identifying the group of customers affected by the proposed tariff. The impact statement shall identify potential as well as existing customers.

(d) A copy of the utility's income statement and balance sheet for a recent 12-month period.

2. If the additional revenue to be generated from the proposed tariff revisions exceeds by 5 percent the total revenues provided by all miscellaneous and non-recurring charges for a recent 12-month period, the utility must file, in addition to the information set out in (1)(a) above, the following: An absorption test showing that the additional net income generated by the tariff filing will not result in an increase in the rate of return (or other applicable valuation methods) to a level greater than that which was allowed in the most recent rate case. Any general rate increases received during the 12-month period must be annualized. Any significant cost changes may be included but must be documented as part of the filing.

IT IS THEREFORE ORDERED that:

1. Within 30 days from the date of this Order Big Sandy shall file with the Commission all information as herein prescribed in compliance with 807 KAR 5:011.

Done at Frankfort, Kentucky, this 11th day of August, 1986.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director