

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLACK MOUNTAIN)
UTILITY DISTRICT, A UTILITY DISTRICT)
ORGANIZED PURSUANT TO SECTIONS)
65.805-815 OF THE KENTUCKY REVISED) CASE NO. 9838
STATUTES, OF HARLAN COUNTY, KENTUCKY,)
FOR APPROVAL OF ACQUISITION AND)
CONSTRUCTION, FINANCING, AND RATES)

O R D E R

On September 8, 1987, the Kentucky Public Service Commission issued an Order dismissing, without prejudice, the application of Black Mountain Utility District ("Black Mountain") for approval of acquisition and construction, financing and rates. The Order set forth a list of deficiencies that had prevented the Commission staff from making any recommendation with respect to the proposed construction, financing and rates.

On September 28, 1987, Black Mountain applied, pursuant to KRS 278.400, for a rehearing on all matters determined by the Commission in its Order of September 8, 1987. The application for rehearing was accompanied by an affidavit in support wherein counsel for the applicant stated his belief that a number of the specific deficiencies referred to in the earlier order had been remedied by submissions to the Commission staff provided subsequent to the dismissal of the case.

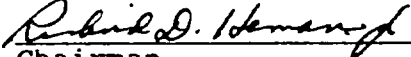
The Commission desires to obtain material and information that will enable it to make a final determination regarding Black Mountain's application for approval of its proposed construction, financing plan, and rates. The Commission finds, therefore, that this matter should be reopened, to enable Black Mountain to proceed. However, the Commission makes no finding with respect to the sufficiency of the material described in Black Mountain's affidavit in support of its application for rehearing.

The Commission has been advised that on October 7, 1987, at the request of Black Mountain, an informal conference was held in the City of Harlan between Commission staff members, representatives of Flynt Engineering Company, and Jerry Johnson of the Harlan County Judge Executive's office. A memorandum acknowledging this meeting has been entered into the record in Case No. 9838. Black Mountain should endeavor to be responsive to the requests for information that will eliminate all of the deficiencies discussed both in the informal conference, and the Commission Order of September 8, 1987.

IT IS THEREFORE ORDERED that Black Mountain's application for rehearing be granted. Black Mountain shall have the burden to file adequate responses to the deficiencies listed in the Commission Order of September 8, 1987. In addition, Black Mountain shall supply a new engineering report, as requested at the informal conference on October 7, 1987.

Done at Frankfort, Kentucky, this 19th day of October, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director