

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HARDIN COUNTY WATER)	
DISTRICT NO. 1, A WATER DISTRICT ORGANIZED))	
PURSUANT TO CHAPTER 74 OF THE KENTUCKY)	
REVISED STATUTES, IN HARDIN COUNTY,)	
KENTUCKY, FOR (1) A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING AND)	
PERMITTING SAID WATER DISTRICT TO)	CASE NO.
CONSTRUCT WATER STORAGE AND DISTRIBUTION)	10189
SYSTEM IMPROVEMENTS, CONSISTING OF)	
ELEVATED STORAGE TANKS, AND WATER TRANS-)	
MISSION LINES (THE PROJECT); (2) APPROVAL)	
OF THE PROPOSED PLAN OF FINANCING OF SAID)	
PROJECT; AND (3) APPROVAL OF INCREASED)	
WATER RATES PROPOSED TO BE CHARGED BY THE)	
DISTRICT TO ITS RETAIL AND WHOLESALE)	
CUSTOMERS)	

O R D E R

On August 31, 1988, the Commission established a procedural schedule in this case. Under that schedule Hardin County Water District No. 1 ("the District") was required to file the direct testimony of witnesses in verified form no later than September 23, 1988.

On September 26, 1988, the District moved to have its prior filings in this case - its petition and application, addendum to petition, and exceptions to Staff Report - considered as prepared testimony. The District offered no argument in support of its motion.

On October 6, 1988, the Attorney General's Utility and Rate Intervention Division ("AG") filed a response in opposition to the District's motion. The AG argues that the District is required by

law to bear the burden of proof in demonstrating the need for the relief which it seeks. Only narrative testimony, not the District's prior filings, the AG asserts, will satisfy this requirement. The AG further argues that narrative testimony will expedite the discovery and hearing stages of this case.

Prepared testimony serves several important purposes. It expedites the proceedings by eliminating the need for lengthy direct testimony at hearing and reducing the need for depositions and several data requests. It elevates the quality of the hearing process by allowing witnesses to carefully and completely develop their testimony. It sharpens the focus of cross-examination and insures that the most important issues of a case are fully explored by giving opposing parties sufficient time to weigh and digest the direct testimony. It enables the Commission to spot issues which require further discussion but have not been addressed by the parties.

The material which the District wishes to have considered as testimony fails to accomplish any of these purposes. This mass of figures, charts, and invoices does not by itself explain the need for the relief which the District has sought in its Petition and Application. Perhaps the other parties in this case can decipher some of the District's positions through data requests, but without prepared testimony many areas will be left unexplored until the hearing. As a result, both direct examination and cross-examination of witnesses will be lengthy. The lack of adequate notice of the District's positions may prevent several important issues from receiving the attention which they merit.

Therefore, absent a compelling reason, the Commission must deny the District's motion.

To avoid further disruption of the procedural schedule, the District should file its testimony in verified form within 10 days of the date of this Order. To insure the other parties are not prejudiced, they will be permitted to make another data request of the District after it files its prepared testimony. While our Order may impose some hardship upon the District, it is unavoidable.

IT IS THEREFORE ORDERED that:

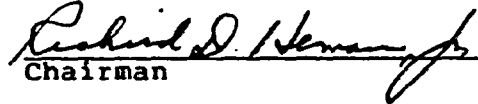
1. The District's Motion to have its prior filings considered as testimony be, and it hereby is, denied.

2. The District shall file the direct testimony of its witnesses in verified form within 10 days of the date of this Order.

3. Commission Staff or any intervenor wishing to make an additional request for information from the District shall serve such request on the District no later than November 4, 1988. The District shall mail or deliver its response to these requests no later than November 14, 1988.

Done at Frankfort, Kentucky, this 14th day of October, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director