

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CONSOLIDATED)
MANAGEMENT SERVICES, INC. OF DAVIESS)
COUNTY, KENTUCKY, FOR (1) A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY,)
AUTHORIZING AND PERMITTING SAID)
COMPANY TO CONSTRUCT SEWAGE TREATMENT)
FACILITIES CONSISTING OF PLANT) CASE NO. 92-083
ADDITION, AND IMPROVEMENTS TO THE)
EXISTING SEWER SYSTEM; (2) APPROVAL OF)
THE PROPOSED PLAN OF FINANCING OF SAID)
PROJECT; AND (3) APPROVAL OF THE)
INCREASED SEWER RATES PROPOSED TO BE)
CHARGED BY THE COMPANY TO CUSTOMERS)
OF THE COMPANY)

O R D E R

On March 30, 1992, Consolidated Management Services, Inc. ("Consolidated") submitted an application to the Commission seeking a Certificate of Public Convenience and Necessity to construct an addition to its sewage treatment plant facilities, approval of its plan of financing for the construction project and approval to increase its rates.

Since Consolidated could not obtain approval from the Division of Water of the Natural Resources and Environmental Protection Cabinet for expansion of its treatment plant, Consolidated filed a revised application on October 5, 1992, in which it stated that the cost associated with the construction project had been deleted. Therefore, Commission approval of the construction project and consideration of the financing plan associated with that project is no longer required.

According to Consolidated, the rates proposed in its revised application would increase its annual revenues by \$19,846.

On May 12, 1992, Commission Staff ("Staff") conducted a field review of Consolidated's test period financial records. Based upon that review, a Staff Report was issued on January 4, 1993, recommending no increase in Consolidated's annual operating revenues. On January 13, 1993, Consolidated filed its response to the Staff Report which consisted entirely of a request for an informal conference.

On February 9, 1993, an informal conference was held at the Commission's offices, at which time Consolidated indicated it would file additional information by February 19, 1993. By February 18, 1993, Consolidated submitted the information.

By Order entered March 10, 1993, the Commission requested additional documentation and information from Consolidated. Consolidated responded to the Commission's Order on March 18, 1993. A group of Consolidated's customers, who were represented by counsel, intervened in this proceeding.

Based upon the information provided by Consolidated subsequent to issuance of the Staff Report, an Amended Staff Report was issued on April 16, 1993, recommending that Consolidated be authorized to increase its annual operating revenues by \$8,108.

By Order dated April 16, 1993, Consolidated was advised that comments on the Amended Staff Report or requests for a public hearing or informal conference must be submitted no later than May 3, 1993, or this case would stand submitted to the Commission for

a decision. To date, Consolidated has filed neither comments nor a request for a hearing or informal conference. No comments on the Amended Staff Report were received from the Intervenors.

The Commission, after consideration of the evidence of record and being sufficiently advised, finds that:

1. The recommendations and findings contained in the Amended Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for Consolidated and will produce gross annual operating revenues of \$117,586. These rates will allow Consolidated sufficient revenues to meet its operating expenses and provide for equity growth.

3. The rates proposed by Consolidated would produce revenues in excess of that found reasonable herein and should be denied pursuant to KRS 278.030.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Consolidated in its application are hereby denied.

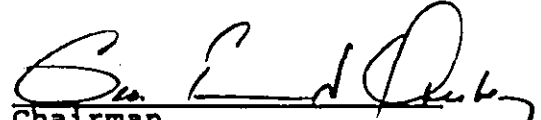
2. The rates in Appendix A are approved for service rendered by Consolidated on and after the date of this Order.


3. Within 30 days of the date of this Order, Consolidated shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this

1st day of July, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 92-083 DATED July 1, 1993.

The following rates and charges are prescribed for the customers in the area served by Consolidated Management Services, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>All Classes of Service</u>	<u>Rate</u>
Single Family Residential	\$12.20/mo.
Multi-Family (Per Dwelling Unit)	12.20/mo.
Commercial-Public	
First 7,500 gallons	12.20/minimum
Over 7,500 gallons	.0018/per gallon