

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MOCKINGBIRD VALLEY	)	
SANITATION, INC. FOR AN ADJUSTMENT OF	)	CASE NO. 98-560
RATES PURSUANT TO THE ALTERNATIVE RATE	)	
FILING PROCEDURE FOR SMALL UTILITIES	)	

ORDER

On December 9, 1998, Mockingbird Valley Sanitation, Inc. ( Mockingbird ) applied<sup>1</sup> for Commission approval of a proposed increase in its rate for sewer service. Mockingbird's proposed rate for sewer service would generate additional annual revenues of \$8,435, an increase of 41.8 percent.

Commission Staff conducted a field review of Mockingbird's test-period financial records. Based upon this review, Commission Staff issued a report on July 29, 1999 in which it found that Mockingbird required annual revenues of \$25,033, an increase in annual operating revenues of \$4,864, and recommended a monthly service rate of \$46.36.

On July 29, 1999, the Commission directed that the Staff's Report be made part of the record and that all parties submit their written comments on and objections to this report within 14 days. We further ordered that any party wishing an informal conference to discuss the Staff's findings and recommendations or a formal hearing on the

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<sup>1</sup> Although Mockingbird filed its application with the Commission on November 5, 1998, the Commission's Secretary found that Mockingbird had failed to comply with the notice provisions of Administrative Regulation 807 KAR 5:076, Section 4, and KRS 278.185 and rejected the application. See Administrative Regulation 807 KAR 5:001, Section 2(2). Mockingbird cured these filing deficiencies on December 9, 1998.

proposed rate adjustment to submit its request for such conference or hearing within 14 days. The Commission further advised all parties that their failure to submit any objections to the Staff Report would be considered as acceptance of the Staff's findings and recommendations. Finally, we stated that if no objections to the Staff Report or requests for informal conference or hearing were received within 14 days, this matter would stand submitted for decision. As of this date, no comments or objections to the Staff Report have been received.

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

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and should be adopted as the findings of the Commission in this proceeding.

2. The monthly rate of \$46.36 is the fair, just, and reasonable rate for Mockingbird and will produce gross annual revenues of \$25,034 for sewer service based on adjusted test year sales. These rates will allow Mockingbird sufficient revenues to meet its operating expenses and provide for future equity growth.

3. The rates proposed by Mockingbird would produce revenue increases in excess of that found reasonable herein and should be denied.

IT IS THEREFORE ORDERED that:

1. The recommendations and findings contained in the Staff Report are adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. Mockingbird's proposed rate for sewer service is denied.

3. The monthly rate of \$46.36 is approved for sewer service rendered by Mockingbird on and after the date of this Order.

4. Within 30 days of the date of this Order, Mockingbird shall file with the Commission its revised tariff setting out the rate approved herein.

Done at Frankfort, Kentucky, this 20<sup>th</sup> day of August, 1999.

By the Commission

ATTEST:

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Executive Director