

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF HILLVIEW SEWER PLANT )  
#3, INC. FOR AN ADJUSTMENT OF RATES )      CASE NO. 99-067  
PURSUANT TO THE ALTERNATIVE RATE )  
FILING PROCEDURE FOR SMALL UTILITIES )

O R D E R

On February 25, 1999, Hillview Sewer Plant #3, Inc. ( Hillview #3 ) filed an application pursuant to Administrative Regulation 807 KAR 5:076 for a proposed adjustment in its rates for sewer service. Commission Staff performed a limited review of Hillview #3 s financial records and issued a Staff Report on November 8, 1999. The parties were advised by Order dated November 8, 1999 to file comments on the Staff Report or to request a hearing or an informal conference within 10 days of the date of the Order or the case would stand submitted to the Commission for a decision. On November 18, 1999, Hillview #3 requested that an informal conference be scheduled. No comments or requests were received from the Intervenors. On November 22, 1999, the Commission scheduled this matter for an informal conference on November 30, 1999 and for a hearing on December 8, 1999.

At the informal conference held on November 30, 1999, at which no intervenors were present except the Attorney General, Hillview #3 expressed its disagreement with Commission Staff s recommendations and argued that Hillview #3 should be allowed interest expense on the indebtedness to purchase the sewer plant to the extent the

fixed assets at the plant had not been depreciated at the time of sale. Hillview #3 agreed to file a proposal on the interest expense requested. On December 2, 1999, Hillview #3 filed its proposal.

Hillview #3 stated at the conference that it did not wish to proceed to hearing and that upon filing its proposal on interest expense, the matter should stand submitted.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The intervenors should have an opportunity to file comments on the proposal on interest expense filed by Hillview #3 on December 2, 1999.
2. Hillview #3 has waived its right to a hearing.
3. The Intervenor in this case did not file comments to the Staff Report; nor did any of them request an informal conference or hearing.
4. The hearing scheduled for December 8, 1999 should be cancelled.

IT IS THEREFORE ORDERED that:

1. All intervenors in this case shall have seven days from the date of this Order to file comments on the proposal filed by Hillview #3 on December 2, 1999.
2. The hearing scheduled for December 8, 1999 at 1:00 p.m. is cancelled.
3. Upon receipt of comments from intervenors, if any, this case shall stand submitted for decision.

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of December, 1999.

By the Commission

ATTEST:

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Executive Director