

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HARDIN COUNTY WATER	)	
DISTRICT NO. 1 FOR (1) ISSUANCE OF	)	
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	
NECESSITY; (2) AUTHORIZATION TO BORROW	)	CASE NO. 2001-211
FUNDS AND TO ISSUE ITS EVIDENCE OF	)	
INDEBTEDNESS THEREFOR; (3) AUTHORITY TO	)	
ADJUST RATES; AND (4) APPROVAL TO REVISE	)	
AND ADJUST TARIFF	)	

ORDER

On July 11, 2001, Hardin County Water District No. 1 (“Hardin District”) submitted an application for a Certificate of Public Convenience and Necessity, authority to issue revenue bonds, and approval to adjust its rates for water service. After being advised of several deficiencies in its application, Hardin District, on October 16, 2001, amended its application to cure the deficiencies and to modify its proposed rates for water service. In its application, as amended, Hardin District requests a deviation from Administrative Regulation 807 KAR 5:001, Sections 10(6)(r) and 10(7)(d), and Administrative Regulation 807 KAR 5:001, Section 11(2)(a).

Administrative Regulation 807 KAR 5:001, Section 10(6)(r), requires an application for a rate adjustment to include in its application monthly managerial reports providing financial results of operations for the 12 months in the proposed test period. Similarly, Administrative Regulation 807 KAR 5:001, Section 10(7)(d), requires an applicant to present with its application its operating budget for each month of the period encompassing any pro forma adjustments. Hardin District states that it does not

prepare such reports or budgets in the normal course of business and that such information is not available.

Administrative Regulation 807 KAR 5:001, Section 11(2)(a), requires an applicant seeking authority to issue securities or evidences of indebtedness to provide with its application a financial exhibit that covers the applicant's operations for a 12-month period ending not more than 90 days from the filing of the application. Hardin District states that preparation of this application would be unduly expensive and would not assist the Commission as the utility has not experienced any material change in its financial conditions since the preparation of its submitted financial statements. These statements cover the 12-month period ending April 30, 2001.

Having reviewed Hardin District's requests for waiver and its application, as amended, the Commission finds that:

1. Good cause exists to grant the requested deviations.
2. Further proceedings are necessary to investigate the reasonableness of the proposed rates.
3. The operation of the proposed rates should be suspended for a period of 5 months.

IT IS THEREFORE ORDERED that:

1. Hardin District is granted a deviation from Administrative Regulation 807 KAR 5:001, Sections 10(6)(r) and 10(7)(d), and Administrative Regulation 807 KAR 5:001, Section 11(2)(a).
2. Hardin District's application is considered filed as of October 16, 2001.

3. The proposed rates set forth in Hardin District's application are suspended up to and including March 15, 2002.

4. The procedural schedule set forth in the Appendix to this Order shall be followed.

5. Any Commission Staff's interrogatory or request for production of documents shall be responded to as if ordered by the Commission.

6. Hardin District shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, it shall forward a duplicate of the notice and request to the Commission.

7. At any hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

8. Any intervening party who wishes to file testimony in this matter shall file its written request to make such filing within 20 days of the date of this Order or within 20 days of being granted intervention in this proceeding, whichever date is later.

9. To be timely filed with the Commission, a document must be received by the Secretary of the Commission within the specified time for filing except that any document shall be deemed timely filed if it has been transmitted by United States express mail, or by other recognized mail carriers, with the date the transmitting agency received said document from the sender noted by the transmitting agency on the outside of the container used for transmitting, within the time allowed for filing.

10. All documents that this Order requires to be filed with the Commission shall be served upon all other parties.

11. Service of any document or pleading shall be made in accordance with Administrative Regulation 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

12. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

13. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of November, 2001.

By the Commission

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2001-211 DATED 11/6/01

Intervenors and Commission Staff shall serve interrogatories and requests for production of documents upon Hardin District no later than..... 11/16/2001

Hardin District shall file with the Commission and serve upon all parties of record and Commission Staff its responses to interrogatories and requests for production of documents no later than ..... 12/03/2001

Intervenors and Commission Staff shall serve supplemental interrogatories and requests for production of documents upon Hardin District no later than ..... 12/17/2001

Hardin District shall file with the Commission and serve upon all parties of record and Commission Staff its responses to supplemental interrogatories and requests for production of documents no later than..... 01/04/2002

Hardin District shall publish notice of the hearing in this matter no later than ..... 01/08/2002

Public hearing for the purpose of cross-examination of witnesses shall begin at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky ..... 01/15/2002