

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF RIVER BLUFFS, INC. FOR)
A RATE ADJUSTMENT PURSUANT TO THE) CASE NO.
ALTERNATIVE RATE FILING PROCEDURE FOR) 2001-00252
SMALL UTILITIES)

ORDER

On August 13, 2001, River Bluffs, Inc. (River Bluffs) submitted its application seeking to increase its rates pursuant to Administrative Regulation 807 KAR 5:076. However, the application was not considered filed until September 17, 2001, the date the deficiencies in the application were cured. Attached to the application was a letter from River Bluffs, dated July 29, 2001, requesting approval to use \$2,936 remaining in a segregated surcharge account to pay outstanding accounts payable or, alternatively, permission to obtain a \$7,500 loan, [i]n order to get through the next few months and to render good service.

In Case No. 95-365,¹ the Commission issued an Order granting River Bluffs approval to collect a monthly surcharge of \$6.18 per customer. The Commission directed River Bluffs to use the surcharge proceeds to pay the debt service of the National City Bank loan. The surcharge was to be collected for a period of 60 months or until the National City Bank loan was retired, whichever was shorter. The surcharge account was created expressly for these proceeds.

¹ Case No. 95-365, The Application of River Bluffs, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure, Order dated May 9, 1996.

In accordance with the Order, River Bluffs discontinued the surcharge when the debt was paid. The \$2,936 represents an overpayment of the surcharge that remained after the loan was satisfied.

Having considered the evidence of record, the Commission finds that River Bluffs should be required to refund the surcharge over-collections to its ratepayers. However, given River Bluffs current cash flow problems, the Commission will allow River Bluffs to use the segregated funds to pay its current accounts payable. Once a final determination regarding River Bluffs rate increase has been rendered, River Bluffs will be directed to provide credits to its ratepayers for the \$2,936 in over-collections.

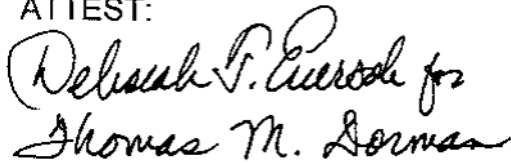
The Commission being otherwise sufficiently advised, IT IS HEREBY ORDERED that:

1. Pending a final order on its application, River Bluffs may use the \$2,936 deposited in its surcharge account to pay its current accounts payable.
2. River Bluffs shall provide credits to its ratepayers for the \$2,936 in over collections in the manner to be prescribed by the Commission in its final Order in this proceeding.

Done at Frankfort, Kentucky, this 13th day of February, 2002.

By the Commission

ATTEST:



Executive Director