

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

APPLICATION OF WESTPORT UTILITIES, )  
INC. FOR AUTHORITY TO ACQUIRE AND )  
OPERATE THE SEWAGE TREATMENT PLANT ) CASE NO. 8460  
OWNED BY ROLLING HILLS SERVICE )  
COMPANY )

ORDER DENYING

PETITION FOR

REHEARING

On August 11, 1982, the Commission issued its Order authorizing Westport Utilities, Inc., ("Westport") to acquire and operate the sewage treatment plant owned by Rolling Hills Service Company ("Rolling Hills"). The Commission apprised the acquiring corporation that interest charges on debt exceeding the level of debt which would have been incurred to finance the original cost of plant in service (excluding any acquisition adjustments and less accumulated depreciation and contributions in aid of construction) would be disallowed for rate-making purposes.

In Westport's petition for rehearing filed on August 31, 1982, it requested that the Commission hear further evidence

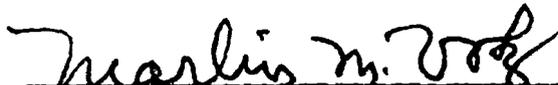
regarding the book value of the utility for rate-making purposes, interest on debt in excess of book cost, amortization of the acquisition adjustment, and the best interest of the consumers. Westport did not refer to any new evidence or issues which were not considered by the Commission in its Order of August 11, 1982.

Therefore, the Commission, after further consideration of the evidence of record, finds that Westport's petition for rehearing should be denied.

IT IS THEREFORE ORDERED that the petition for rehearing filed August 31, 1982, be and it hereby is denied.

Done at Frankfort, Kentucky, this 20th day of September, 1982.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary