

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF CUMBERLAND FALLS HIGHWAY)
WATER DISTRICT OF PWA INCREASE IN) CASE NO. 9417
RATES ON OCTOBER 2, 1985)

O R D E R

In its Order of October 18, 1985, in Case No. 9417, Notice of Cumberland Falls Highway Water District of PWA Increase in Rates, the Commission ordered that a separate Show Cause proceeding shall be conducted to investigate the matter of non-payment of both the bond principal and interest payments. On October 29, 1985, Cumberland Falls Highway Water District ("Cumberland Falls") filed an application, Case No. 9451, Application of Cumberland Falls for a Certificate to Construct, Authority to Borrow, Authority to Refund Existing FmHA Indebtedness with a Loan from FmHA, and Approval of a Rate Increase.

On November 7, 1985, Cumberland Falls filed an application for rehearing in Case No. 9417. The issue of the rehearing is the establishment of a separate Show Cause proceeding, Case No. 9441, Cumberland Falls Highway Water District To Show Cause as to Failure to Pay Bond Principal and Interest Payment and Other Interest Expense Associated with Long-Term Debts. Cumberland Falls states in its application for rehearing that a rehearing

would be less costly than a separate Show Cause proceeding. Cumberland Falls also suggested in the application for rehearing that Case No. 9451 could "...serve as a convenient vehicle for pursuing the arrearage in debt service."

By separate Order of November 27, 1985, in Case No. 9441, the Commission ordered that Case No. 9441 be dismissed, based upon the fact that the issues of the Show Cause proceeding, Case No. 9441, can and should be addressed in Case No. 9451.

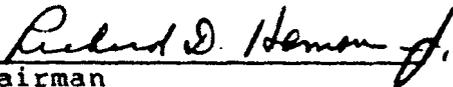
The Commission, after review of the evidence of record and being advised, is of the opinion and finds that:

1. Since the Show Cause proceeding, Case No. 9441, has been dismissed, the issue of the application for rehearing is moot.

IT IS THEREFORE ORDERED that the application for rehearing in Case No. 9417 be and it hereby is denied.

Done at Frankfort, Kentucky, this 27th day of November, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary