

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WESTERN LEWIS-)	
RECTORVILLE WATER DISTRICT FOR)	CASE NO.
APPROVAL OF AN INCREASE IN RATES FOR)	2008-00510
WATER SERVICE AND TO REVISE ITS TARIFF)	

O R D E R

On December 10, 2008, Western Lewis-Rectorville ("Western Lewis") filed an application requesting approval to increase its water rates, make changes to certain existing nonrecurring charges, and revise its tariff rules and regulations. The Commission Staff issued its first information request to Western Lewis on January 20, 2009. In a letter dated February 17, 2009, Western Lewis requested a 60-day extension to respond and the request was granted. On April 14, 2009, Western Lewis tendered its response to Staff's January 20 information request.

However, on July 21, 2009, Commission Staff found it necessary to issue a second information request to Western Lewis to clarify and expand upon the information Western Lewis had previously submitted. In particular, Staff was seeking information to substantiate the accuracy of Western Lewis's financial statements and the reasonableness of the factors Western Lewis used to allocate expenses between the water and gas divisions. On August 10, 2009, Western Lewis requested an additional 30 days to respond to Staff's second information request, stating that it was not able to

compile the responses in the time allotted due to problems with financial records and changes in personnel.

On August 17, 2009, Western Lewis filed a request to withdraw the application, stating that it may file a request for an increase in rates with its next Rural Development project filing.

The Commission is concerned about Western Lewis's inability to respond to Staff's questions regarding the accuracy of financial records and the reasonableness of the expense allocation factors. Therefore, the Commission finds that, within 60 days of the date of this Order, Western Lewis should contact Commission Staff to schedule an informal conference to discuss the Commission's concerns and for Western Lewis to describe the safeguards that it has or will implement to insure that the problems experienced in this proceeding will not recur.

As to the request for a change in its nonrecurring charges, Western Lewis may want to file a separate application pursuant to 870 KAR 5:011, Section 10.

Western Lewis, having given notice withdrawing its application and the Commission having considered such action as a motion to withdraw the application and finding that such motion should be granted,

The Commission HEREBY ORDERS that:

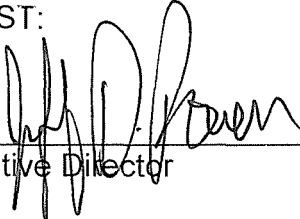
1. Western Lewis's Motion to Withdraw is granted.
2. This case is closed and is removed from the Commission's docket.
3. Western Lewis shall contact Commission Staff within 60 days of the date of this Order to schedule an informal conference to discuss the Commission's concerns

and for Western Lewis to describe the safeguards that it has or will implement to insure that the problems experienced in this proceeding will not recur.

By the Commission

ENTERED *ELW*
OCT - 7 2009
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

John H Thomas, Jr.
Chairman of the Commission
Western Lewis-Rectorville Water and Gas District
8000 Day Pike
Maysville, KY 41056-9344