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Commissioner

July 13, 2011

Robert M. McGuire
Chairman
Cannonsburg Water District
1606 Cannonsburg Road
Ashland, KY 41105

RE: Case No. 2011-00217
Filing Deficiencies

The Commission staff has reviewed your application in the above case. This filing is rejected for the reasons set forth below.

1. Filing deficiencies pursuant to 807 KAR 5:011:

Section 10(1)(a): Cost justification for each rate change proposed.

Full description of the equipment item(s) or the service(s) for which the rate change is proposed.

Section 10(1)(c): Statement explaining why proposed changes could not have been included in last rate case and why current conditions prevent deferring change until next rate case.

Section 10(1)(d): Impact statement identifying group of customers (both existing and potential) affected by proposed change.

Section 10(2): If the additional revenue to be generated from the proposed tariff revisions exceeds by five percent the total revenues provided by all miscellaneous and non-recurring charges for a recent twelve month period, the utility must file, in addition to the information set out in subsection (1)(a) of this section, the following: An absorption test showing that the additional net income generated by the tariff filing will not result in an increase in the rate of return (or other applicable valuation methods) to a level greater than that allowed in the most recent rate case. Any general rate increases received during the

twelve month period must be annualized. Any significant cost changes may be included but must be documented as part of the filing.

2. Filing deficiencies pursuant to 807 KAR 5:001

Section 10(4): If copy of public notice included, did it meet requirements?
(Copy of public notice did not include address of Public Service Commission)

Section 10(6)(b) and (c): If gross annual revenues exceed \$1,000,000, prepared testimony of each witness who will support the application. If less than \$1,000,000, prepared testimony of each witness who will support application or statement that utility does not plan to submit prepared testimony.

Section 10(6)(e): If electric, gas, water or sewer utility effect upon the average bill for each customer classification to which change will apply.

Section 10(7)(d): Operating budget for each month of the period encompassing the pro forma adjustments.

Section 10(3)(a): Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply.

Section 10(3)(c): Electric, gas, water and sewer utilities – effect upon average bill for each customer class to which change will apply.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiencies voids that proposed effective date. When you file the required information to correct the deficiencies, you may refile your proposed tariff with a new proposed effective date that is a least 30 days from the date you file the required information. You are requested to file 10 copies of this information within 15 days of date of this letter. If you need further assistance, please contact my staff at 502-564-3940.

Sincerely,



Jeff Derouen