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COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
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POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

May 26, 1992

Mr. Coleman D. Bush
Kentucky-American Water Company
2300 Richmond Road
Lexington, Kentucky 40502

Dear Mr. Bush:

In response to your letter received by the Commission on May 1, 1992; the trailer park operated by Imperial Associates is not a utility subject to the Commission's jurisdiction.

KRS 278.010(3)(d) defines a utility as:

[A]ny person except a city, who owns, controls or operates or manages any facility used or to be used for or in connection with: [t]he diverting, developing, pumping, impounding, distributing or furnishing of water to or for the public, for compensation. (Emphasis added)

To serve the public means to hold one's self out as willing and able to serve any member of the public who requests or demands a service. Imperial Associates provides water utility service only to the tenants of its own trailer parks due to a landlord-tenant relationship, not the indefinite public. People outside the trailer park have no right to demand or receive water service from Imperial Associates as they do from Kentucky-American Water Company ("Kentucky-American"). Imperial Associates is not providing water service to the public and is not a utility as defined by KRS 278.010(3)(d); therefore, it is not under the jurisdiction of the Commission.

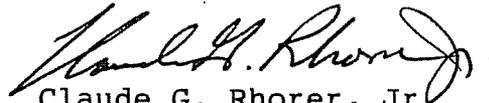
If Kentucky-American is concerned about the resale of its water by Imperial Associates, specific provisions prohibiting such resale

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could be placed in Kentucky-American's tariff. Enclosed are samples of tariffs currently on file with the Commission that prohibit the resale of water except under the terms of a special contract or by charging a monthly minimum rate times the number of units. Currently, Kentucky-American has no specific language in its tariff to address this issue.

If you have any questions, contact Phyllis Bruning at (502) 564-3584 or Carryn Lee at (502) 564-7604.

Sincerely,



Claude G. Rhorer, Jr.
Acting Executive Director

mdk

Enclosures

cc: Phyllis Bruning
Carryn Lee