



Wuetcher

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

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RECEIVED

AUG 13 1997

August 12, 1997

GENERAL COUNSEL

Mr. G.K. Williams
760 U.S. Highway 421S
McKee, Kentucky 40447-9434

Dear Mr. Williams:

Commission Staff is in receipt of your letter of August 7, 1997 in which you ask whether the Public Service Commission prohibits a water association from accepting prepayment of service charges or requires a water association to pay interest on such prepayments.

No Commission regulation prohibits a utility from accepting prepayments of service charges or requires a water association to pay interest on such payments. KRS 278.460 and Commission Regulation 807 KAR 5:006, Section 7, require a utility to pay interest on deposits which are intended to guarantee the payment of bills. Neither, however, requires the payment of interest on prepayments.

Questions regarding this letter should be directed to Gerald Wuetcher, Commission counsel, at (502) 564-3940, Extension 259.

Sincerely,

A handwritten signature in black ink that reads "Don Mills".

Don Mills
Executive Director

gw

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