COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A WATER CONTRACT BETWEEN KENTON   )
COUNTY WATER DISTRICT NO. 1 AND   )   CASE NO.
THE BOONE COUNTY WATER DISTRICT   )   90-093

O R D E R

On March 8, 1990, Kenton County Water District No. 1 ("Kenton District") filed a special contract for water service to Boone County Water and Sewer District ("Boone District") which, inter alia, provides for the transfer of certain customers to Boone District. Finding this contract required further review, the Commission suspended its operation and initiated this proceeding. The Commission's inquiry consisted of a series of information requests to each utility. Neither utility has requested a hearing in this matter.

After reviewing the special contract and the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. On January 8, 1990, Kenton District and Boone District executed a contract which provides that Kenton District will supply Boone District's total water requirements for a 20-year period.

2. The executed contract provides that persons in the Mineola/Cox Industrial Park area of Boone County, Kentucky, and along the southwest side of Donaldson Road and along the northeast

side of Donaldson Road from the Donaldson-Dolwick Connector Road to Mineola Road in Boone County, Kentucky, all of whom are presently served by Kenton District, shall become customers of Boone District.

3. The executed contract further provides that Kenton District will continue to serve the Greater Cincinnati International Airport and present and future customers located in Boone County within the triangular area bounded by the northeast side of Donaldson Road, the southeast side of Donaldson-Dolwick Connector Road, and the Boone County-Kenton County boundary line. Kenton District has served these customers with the consent of Boone County since 1945 and with Commission approval since 1967.[1]

4. As a result of the executed contract, approximately 40 customers will be transferred from Kenton District to Boone District.

5. The affected customers are within Boone District's territorial boundaries as established by Boone County Fiscal Court.

6. Boone District recently agreed to operate the sanitary collection system currently serving Mineola/Cox Industrial Park and sought the proposed transfer of customers to permit it to provide combined water and sanitary sewer service to them.

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[1]   Case No. 4814, The Application of the Boone County Water District for a Certificate of Convenience and Necessity for the Construction of a System of Public Water Supply, Order dated March 14, 1967.

7. Due to the difference in rates for service of Kenton District and Boone District, the proposed transfer will increase the amount which affected customers pay for water service. Assuming an average monthly usage of 5,000 gallons, an affected customer's average monthly bill will increase by $6.18.

8. All affected customers have been notified of the proposed transfer, its impact on their rates for service, and their right to intervene in this proceeding.

9. Neither Boone District nor Kenton District have received any complaints regarding the proposed transfer.

10. One affected customer formally protested the proposed transfer to the Commission, but chose not to intervene in this proceeding.

11. The proposed transfer of customers is for a reasonable objective and will not prevent any affected customer from receiving adequate, efficient, and reasonable service at fair, just, and reasonable rates.

12. The special contract is fair, just, and reasonable and comports with the provisions of KRS Chapter 278.
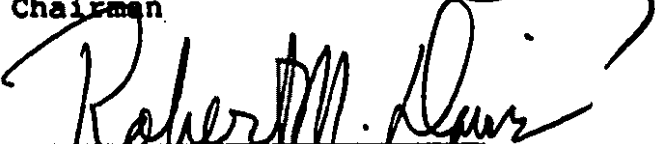
IT IS THEREFORE ORDERED that:

1. The special contract between Kenton District and Boone District is hereby approved.
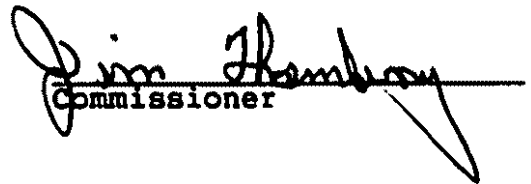
2. Kenton District and Boone District shall submit any subsequent modifications to the January 8, 1990 contract to the Commission for its approval.

Done at Frankfort, Kentucky, this 3rd day of December, 1990.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Executive Director