

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LAUREL COUNTY WATER)	
DISTRICT #2 FOR A DEVIATION FROM THE)	CASE NO.
REQUIREMENTS OF 807 KAR 5:066, SECTION)	90-204
12(2)(a), REGARDING WATER LINE EXTENSIONS)	

O R D E R

On July 5, 1990, Laurel County Water District No. 2 ("Laurel County") filed an application wherein it requested approval of plans for a water extension project. The proposed project will serve 62 families at an estimated cost of \$72,433. In its application, Laurel County stated that it had tried to obtain funding for the project from several agencies, but to no avail. Therefore, Laurel County proposed to fund the project using its reserve fund, with no customer contributions. On August 9, 1990, Laurel County filed a request to deviate from the requirements of 807 KAR 5:066, Section 12(2)(a), which permits a water utility to require customer contributions.

On October 30, 1990, the Commission advised Laurel County by letter that 807 KAR 5:066, Section 12(5), permits a utility to make extensions at its own expense should its judgment so dictate, provided like free extensions are made to other customers under similar conditions. The Commission advised Laurel County to file a tariff setting out the standards under which it will consistently provide like free extensions.

On November 16, 1990, Laurel County filed a proposed tariff setting out the criteria to be considered in providing free extensions. This filing was reviewed by the Commission and several minor changes were recommended. On January 3, 1991, Laurel County filed a revised tariff which included the recommended changes.


The Commission, having considered the evidence of record and being sufficiently advised, finds that the tariff filed by Laurel County on January 3, 1991 is consistent with 807 KAR 5:066, Section 12(5), and that Laurel County should be granted a deviation from the requirements of 807 KAR 5:066, Section 12(2)(a).


The Commission further finds that the proposed water extension project is an ordinary extension of Laurel County's existing system in the usual course of business, and thus does not require a Certificate of Public Convenience and Necessity from the Commission.

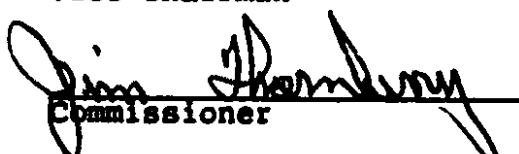
IT IS THEREFORE ORDERED that the tariff filed by Laurel County on January 3, 1991, be and it hereby is approved effective on and after the date of this Order.

Done at Frankfort, Kentucky, this 14th day of January, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director