

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                                    |   |                 |
|------------------------------------|---|-----------------|
| MARTIN COUNTY WATER DISTRICT #2    | ) |                 |
| FURNISHING FREE WATER TO THE BOARD | ) | CASE NO. 92-292 |
| OF COMMISSIONERS                   | ) |                 |

O R D E R

On June 29, 1992, the Public Service Commission ("Commission") received a letter from Martin County Water District #2 ("Martin County") that informed the Commission that they had voted to give the board of commissioners of the district free water.

The decision was made at the regular meeting of Martin County held on January 28, 1991 and recorded in the minutes of that meeting. In support of this action, Martin County stated that this is a gift to the commissioners since they don't receive a salary or any hourly wage.

After reviewing the evidence of record and being advised, the Commission finds that:

1. Concession services to either board commissioners and/or district employees should not be allowed for public corporations such as water districts and water associations. Such publicly owned utilities have no shareholders to which the foregone revenues can be charged, which can only occur with investor-owned utilities.

2. Martin County's allowance of free water to its commissioners is in conflict with Commission policy and therefore should be denied.

3. Chapter 74, Water Districts, under which Martin County was formed, has a provision that allows each commissioner of a district to receive an annual salary. Martin County should investigate the possibilities of allowing a suitable salary for its commissioners under that provision.

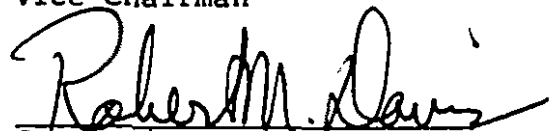
IT IS THEREFORE ORDERED that the allowance for free water to the commissioners of Martin County be and hereby is denied.

Done at Frankfort, Kentucky, this 23rd day of July, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director, Acting