COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HANS W. KALLENBERGER

COMPLAINANT

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HENRY COUNTY WATER DISTRICT #2 DEFENDANT CASE NO. 96-479

<u>ORDER</u>

Henry County Water District No. 2 ("Henry Water") filed a petition for a rehearing with the Commission on August 31, 1998. The petition for rehearing was filed by Henry Water pursuant to KRS 278.400, which requires a rehearing petition to be filed within 20 days of the service of the Order. The Order herein was served on August 4, 1998 and the petition was filed with the Commission on August 31, 1998, more than 20 days from the date of service. The petition is not timely filed. Notwithstanding the timeliness issue, the Commission will address the substantial issues presented by the petition.

The petition raises several grounds for the request for a rehearing. Among the issues raised by Henry County are, first, the Commission incorrectly represented that the problems involved were a result of the billing arrangement. The Commission found that the billing arrangement was only one of many problems facing all parties in this case. Second, Henry County contends that no easement was necessary since there was an agreement between the parties. The Order clearly sets out the problems these agreements can create and the reliance upon them by a utility is not only unreasonable

but also a violation of its tariff and the regulations of the Commission. The third issue or issues raised by Henry County can be characterized under the issue of obligation to serve and the cost of said service. The obligation to serve is, and the cost incumbent upon each party, clearly set out in the regulations. If no easement is determined to exist by the court, 807 KAR 5:006, Section 5, and 807 KAR 5:066, Section 11, would be applicable. If an easement is determined to exist by the court, 807 KAR 5:066, Section 12, would apply. The Commission requires Henry Water to serve the property of Dwenger (Santa Cruz Cattle Co.) in compliance with all applicable laws and regulations. It is apparent that if an easement exists, Henry Water cannot use another customer's service line as its main to serve another customer. 807 KAR 5:066, Section 12(1) and (2), sets out the obligation of each party in a service connection.

IT IS THEREFORE ORDERED that the petition of Henry Water for a rehearing is hereby denied.

Done at Frankfort, Kentucky, this 21st day of September, 1998.

PUBLIC SERVICE COMMISSION

Vice Chairman

ATTEST:

Executive Director

/Commissioner