

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE DEVIATION FROM 807 KAR 5:066,)	
SECTION 6(3) REGARDING UNACCOUNTED-)	CASE NO. 99-230
FOR WATER LOSS OF FRANCIS WATER)	
COMPANY, INC.)	

O R D E R

On June 1, 1999, Francis Water Company, Inc ("Francis") filed a letter requesting Commission approval to provide free water service to the owners of Francis. This letter was in response to an inspection of Francis by PSC Staff, which disclosed water loss in excess of 15 percent. Francis indicated the loss was partly due to providing water to the owners of Francis. In its request Francis indicated it wished to grant free rate service to the properties owned by the owners of Francis. Francis also requested permission to grant free water service to the original home of the owners of Francis.

807 KAR 5:066, Section 6(3), applies to water loss for rate-making purposes, which is not the case here. Upon reviewing the record the Commission finds that, while the case caption indicated it is a deviation from 807 KAR 5:066, Section 6(3), the evidence shows the subject matter of this case to be a request to grant free water and therefore subject to KRS 278.170(2).

KRS 278.170(2) provides:

Any utility may grant free or reduced rate service to its officers, agents or employees, and may exchange free or reduced rate service with other utilities for the benefit of the officers, agents and employees of both utilities. Any utility may grant free or reduced rate service to the United States, to charitable and eleemosynary institutions, and to persons engaged in

charitable and eleemosynary work, and may grant free or reduced rate service for the purpose of providing relief in case of flood, epidemic, pestilence or other calamity. The terms "officers" and "employees," as used in this subsection, include furloughed, pensioned and superannuated officers and employees, and persons who have become disabled or infirm in the service of the utility. Notice must be given to the commission and its agreement obtained for such reduced rate service except in case of an emergency, in which case the commission shall be notified at least five (5) days after the service is rendered.

This statute sets out to whom a utility may grant free or reduced rate service. The statute further defines the term officers and employees. Any request for free rate service other than that contained in KRS 278.170(2) must be denied.

IT IS THEREFORE ORDERED that:

1. Francis is authorized to grant free water rate service to its officers, agents, and employees on or after the date of this Order.
2. The request to grant free water rate service to those not specified in KRS 278.170(2) is denied.
3. Francis shall file with the Commission a tariff sheet disclosing its free or reduced rate service.

Done at Frankfort, Kentucky, this 2nd day of August, 1999.

By the Commission

ATTEST:

Executive Director