

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE )  
WATER SERVICE RATES OF THE CITY OF ) CASE NO. 99-131  
WARSAW, KENTUCKY )

ORDER

The City of Warsaw, Kentucky ("Warsaw") and Gallatin County Water District ("Gallatin District") have agreed upon a rate which Warsaw will charge for wholesale water service and submitted this Agreement to the Commission. This action follows Warsaw's application for an adjustment of its current wholesale rate, Gallatin District's objection to the proposed adjustment, and the initiation of this proceeding to investigate the proposed adjustment. Warsaw originally proposed a wholesale rate of \$1.50 per 1,000 gallons of water. The parties agreed to a wholesale rate of \$1.50 per 1,000 gallons of water.

Having considered the Agreement and being otherwise sufficiently advised, the Commission finds that the agreed rate should be approved. The purpose of the Commission's jurisdiction over a municipal utility's wholesale transactions with a public utility is to ensure that any public utility "consumer/customer that has contracted and become dependent for its supply of water from a city utility is not subject to either excessive rates or inadequate service." Simpson County Water District v. City of Franklin, Ky., 872 S.W.2d 460, 465 (1994).

In the case at bar, this purpose has been served. The public utility that purchases water from Warsaw made clear its objections to the proposed rate adjustment. Warsaw has apparently addressed Gallatin District's concerns and the parties have reached

agreement on the appropriate rates for service for future years and the maximum quantity of water that Gallatin District may purchase from Warsaw on a monthly basis.

As the Agreement on its face appears neither unreasonable nor unconscionable, the Commission sees no need to conduct further proceedings in this matter.

IT IS THEREFORE ORDERED that:

1. The Agreement, a copy of which is appended hereto, is approved.
2. The rate and conditions of service for wholesale water service set forth in the Agreement are approved for service rendered by Warsaw to Gallatin District on and after the date of this Order.
3. Warsaw shall, within 30 days of the date of this Order, file tariff sheets that reflect the rate and conditions of service approved herein.

Done at Frankfort, Kentucky, this 20<sup>th</sup> day of January, 2000.

By the Commission

ATTEST:

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Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 99-131 DATED JANUARY 20, 1999