

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PROPOSED ADJUSTMENT OF THE)
SHELBYVILLE WATER AND SEWER COMMISSION'S) CASE NO. 99-265
WHOLESALE WATER SERVICE RATE TO WEST)
SHELBY WATER DISTRICT)

ORDER

The Shelbyville Water and Sewer Commission ("Shelbyville") and West Shelby Water District ("West Shelby") have agreed upon rates and conditions of service that Shelbyville will impose for wholesale water service and submitted this Agreement to the Commission. This action follows Shelbyville's application for an adjustment of its current wholesale rate, West Shelby's objection to the proposed adjustment, and the initiation of this proceeding to investigate the proposed adjustment.

Having considered the Agreement and being otherwise sufficiently advised, the Commission finds that the agreed rate and conditions of service 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 Shelbyville made clear its objections to the proposed rate adjustment. Shelbyville has apparently addressed West Shelby's concerns and the parties have

reached agreement on the appropriate rates for service for future years and the maximum quantity of water that West Shelby may purchase from Shelbyville on a monthly basis.

As the Settlement 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 Settlement Agreement, a copy of which is appended hereto, is approved.

2. The rates and conditions of service for wholesale water service set forth in the Settlement Agreement are approved for service rendered by Shelbyville to West Shelby on and after the date of this Order.

3. Shelbyville 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 20th day of January, 2000.

By the Commission

ATTEST:

Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-265 DATED JANUARY 20, 1999