

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A FILING BY MOUNT STERLING WATER)	
AND SEWER SYSTEM TO AMEND ITS)	CASE NO.
CONTRACT WITH REID VILLAGE WATER)	2002-00255
DISTRICT BY ESTABLISHING A MONTHLY)	
MAXIMUM PURCHASE LIMIT)	

O R D E R

On July 10, 2002, the Commission placed this matter on its docket to investigate a proposed revision by Mount Sterling Water and Sewer System (Mt. Sterling) of its Water Purchase Contract with Reid Village Water District (Reid Village).

Pursuant to a request of Commission Staff, both parties appeared for an informal conference on October 23, 2002. At that conference both parties agreed that further discussion could lead to a settlement of the matter. Both parties were requested to report any progress to the Commission. By letter filed March 5, 2003, both parties have agreed that they are optimistic this matter can be resolved without the necessity of a hearing before the Commission and request until April 30, 2003 in which to reach a settlement. If no settlement can be reached, the parties request the Commission to establish a procedural schedule and a hearing date. The Commission finds that since settlement negotiations are being conducted in good faith, the parties should be given sufficient time in which to negotiate a settlement.

The Commission being sufficiently advised, HEREBY ORDERS that:

1. Mt. Sterling and Reid Village shall report to the Commission on or before May 5, 2003 of their efforts to reach a settlement in this matter.

2. If there is no likelihood of a settlement reported by the parties, a procedural schedule and hearing date will be established in this case.

Done at Frankfort, Kentucky, this 11th day of March, 2003.

By the Commission

ATTEST:


Executive Director