

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF)
THE WHOLESAL WATER)
SERVICE RATES OF THE CITY)
OF VERSAILLES, KENTUCKY)

CASE NO. 2005-00369

O R D E R

The city of Versailles, Kentucky (“Versailles”) has moved to withdraw its proposed rate for wholesale water service to Northeast Woodford Water District (“Northeast Woodford”) and South Woodford Water District (“South Woodford”) on the condition that Commission Staff conduct a review of its water department’s financial records and prepare a report containing its findings and recommendations on the appropriate wholesale water service rate for Northeast Woodford and South Woodford.

Having considered the motion and being otherwise sufficiently advised, the Commission finds that Versailles’ motion should be granted. We note that any findings and recommendations arising from Commission Staff’s review will not be binding upon the Commission or on any party to this proceeding. We further note that, should Versailles choose to adopt any of Commission Staff’s recommendation as its wholesale water service rate, it must follow the procedures set forth in KRS 278.180 to place such rate into effect.

IT IS THEREFORE ORDERED that:

1. Versailles’ motion to withdraw its proposed rate for wholesale water service to Northeast Woodford and South Woodford is granted.

2. Within 30 days of the date of this Order, the Commission's Executive Director shall assign members of Commission Staff to review the financial records of Versailles' water department and to prepare a report containing its findings and recommendations on the appropriate wholesale water service for Northeast Woodford and South Woodford.

3. Within 120 days of the date of this Order, those members of Commission Staff assigned to conduct the review described in Ordering Paragraph 2 shall complete that review and submit a written report of their findings and recommendations to the Executive Director. If these members are unable to complete their review and report within 120 days, they shall advise the Executive Director and the parties in writing before the end of the 120-day period, explain why the report cannot be completed within that time, and state their estimated date for completing their review and report.

4. The Executive Director shall serve upon Versailles, Northeast Woodford, and South Woodford a copy of the written report of Commission Staff's findings and recommendations and shall make the report's authors available to the parties to answer any questions regarding the contents of the report.

5. This case is closed and is removed from the Commission's docket.

Done at Frankfort, Kentucky, this 30th day of May, 2006.

By the Commission

ATTEST:


Executive Director