COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MUHLENBERG)COUNTY WATER DISTRICT FOR A)GENERAL RATE ADJUSTMENT)CASE NO.PURSUANT TO THE PROVISIONS OF)KRS 278.030 AND 807 KAR 5:001)

Muhlenberg County Water District ("Muhlenberg District") has applied to the Commission for authority to adjust its proposed water service rates and charges. In its filing, Muhlenberg District requested permission to deviate from the filing requirement of Administrative Regulation 807 KAR 5:001, Section 10(7)(b), which requires the submission of the utility's most recent capital construction budget.

In support of its request for permission to deviate from this requirement, Muhlenberg District states that no capital construction budget exists. Muhlenberg District states that, like other similarly situated water utilities, it does not provide for or maintain a capital construction budget since new construction occurs on a case-by-case basis and is generally funded by state grants.

Administrative Regulation 807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its regulations for good cause shown. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the requested deviation is reasonable and should be granted.

IT IS THEREFORE ORDERED that Muhlenberg District's request for permission to deviate from the filing requirement of Administrative Regulation 807 KAR 5:001, Section 10(7)(b), is granted.

Done at Frankfort, Kentucky, this 18th day of July, 2006.

By the Commission

ATTEST:

Executive Director

Case No. 2006-00248