

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF EAST ) CASE NO. 2007-00316  
CASEY COUNTY WATER DISTRICT )

ORDER

On July 19, 2007, East Casey County Water District ("East Casey") submitted an application for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068. East Casey was notified on July 23, 2007 that its filing was deficient and required certain information to be filed in order that the application could be deemed administratively complete. On August 1, 2007, East Casey corrected these deficiencies and the Commission has accepted its filing.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. East Casey purchases water from the city of Liberty ("Liberty") and the city of Russell Springs ("Russell Springs").
2. Liberty notified East Casey that, effective May 1, 2007, its rate for wholesale water service to East Casey would increase from \$2.00 per 1,000 gallons to \$2.38 per 1,000 gallons.
3. Russell Springs notified East Casey that, effective May 16, 2007, its rate for wholesale water service to East Casey would increase from \$1.50 per 1,000 gallons to \$1.68 per 1,000 gallons.

4. At the time of filing of East Casey's application, Liberty<sup>1</sup> and Russell Springs<sup>2</sup> had not provided proper written notice of their proposed wholesale rate adjustments in accordance with KRS 278.180 or 807 KAR 5:011 or filed an application to adjust their wholesale rates with the Commission.

5. Liberty's and Russell Springs' rates for wholesale water service to a jurisdictional utility are subject to Commission approval. See Simpson County Water District v. City of Franklin, 872 S.W.2d 460 (Ky. 1994).

6. KRS 278.180(1) provides that no utility may change its rates except upon 30 days' notice to the Commission.

7. As Liberty and Russell Springs have not provided the Commission with proper notice of any rate change as KRS 278.180 requires, their rate adjustments are not effective or lawful, may not be assessed, and may not serve as the basis for a purchased water adjustment.

8. East Casey's proposed purchased water adjustment should be denied.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment is denied.
2. East Casey's proposed rates are denied.
3. Subject to the filing of timely petition for rehearing pursuant to KRS 278.400, these proceedings are closed. The Executive Director shall place any future

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<sup>1</sup> Liberty filed notice of its proposed wholesale rate adjustment on August 13, 2007.

<sup>2</sup> On August 17, 2007, Russell Springs provided notice to the Commission of an adjustment to its wholesale rate to East Casey. It proposed an effective date of September 6, 2007.

filings in the appropriate utility's general correspondence file or shall docket the filing as a new proceeding.

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of August, 2007.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director