

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WHOLESALE WATER PURCHASE AGREEMENT)
BETWEEN MONROE COUNTY WATER DISTRICT) CASE NO. 2008-00016
AND FOUNTAIN RUN WATER DISTRICT)

O R D E R

Monroe County Water District (“Monroe District”) has filed a proposed agreement to provide wholesale water service to Fountain Run Water District (“Fountain District”). On February 6, 2008, the Commission found that further proceedings were necessary to determine the reasonableness of the proposed contract and that Monroe District should provide further information.

The contract submitted to the Commission herein indicated that Monroe District agreed to furnish water to Fountain District in an unspecified amount. Without specifying in the contract a minimum and maximum amount of water to be furnished, Monroe District could be obligated to furnish more water than it could obtain from its supplier. However, Monroe District submitted information to confirm that it has capacity sufficient to cover Fountain District’s requirements.¹

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Monroe District is a jurisdictional water utility that sells water to Fountain District.

¹ Responses to Questions 3, 4, and 5 of Appendix A to Commission’s Order dated February 6, 2008.

2. Fountain District is a jurisdictional water utility that purchases water from Monroe District.

3. Fountain District purchases water infrequently from Monroe District for the purpose of maintaining sufficient pressure in the White Oak Ridge area served by Fountain District,² and such purchases will not affect the ability of Monroe District to serve its own customers.

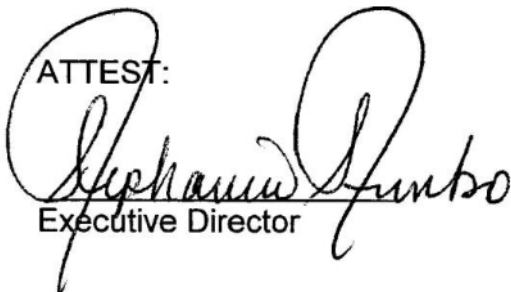
4. The contract entered into between Monroe District and Fountain District is reasonable and should be approved.

IT IS THEREFORE ORDERED that the contract entered into between Monroe District and Fountain District is approved as filed.

Done at Frankfort, Kentucky, this 1st day of May, 2008.

By the Commission

ATTEST:



Stephanie Gumbo
Executive Director

² Response to Question 5 of Appendix A to Commission's Order dated February 6, 2008.