

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WATER SERVICE)	
CORPORATION OF KENTUCKY FOR AN)	CASE NO. 2005-00325
ADJUSTMENT OF RATES)	

ORDER

On September 30, 2005, Water Service Corporation of Kentucky ("Water Service") tendered to the Commission its application for approval of a proposed schedule of rates for water service. Because of deficiencies in this application, the Commission did not accept the application until December 1, 2005. On December 19, 2005, the Commission, pursuant to KRS 278.190, suspended the operation of the proposed rates for 5 months.

On May 5, 2006, Water Service filed with the Commission a revised schedule of rates for water service that differed significantly from the original schedule of proposed rates and notified the Commission that these rates would become effective on June 9, 2006.

The Commission finds that Water Service's submission of the latter schedule of rates and its notice that such schedule would become effective on June 9, 2006 constitutes withdrawal of the original schedule of rates. Water Service, therefore, may not place in effect the original schedule of rates.

The Commission further finds that, pursuant to KRS 278.190(2), the operation of the latter schedule of rates should be suspended for a period of 5 months. These rates

should not be placed into effect until November 9, 2006 or until the Commission completes its review of Water Service's application, whichever occurs first. The Commission places Water Service on notice that, as a result of its submission of the latter schedule of rates, the Commission must, pursuant to KRS 278.190(3), complete its review of Water Service's application and the proposed rates no later than March 4, 2007.

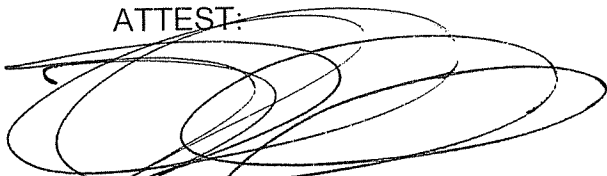
IT IS THEREFORE ORDERED that:

1. Water Service shall not place the original schedule of rates in effect.
2. The operation of the rate schedule that Water Service submitted on May 5, 2006 is suspended for a period of 5 months up to and including November 8, 2006.

Done at Frankfort, Kentucky, this 1st day of June, 2006.

By the Commission

ATTEST:



Executive Director