



Ernie Fletcher
Governor

Teresa J. Hill, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Gene Flaughter
Mayor
City of Falmouth
230 Main Street
Falmouth, KY 41040

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Commissioner

January 23, 2007

RE: Case No. 2006-00403

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/jc
Enclosure



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William T. Jones
Manager
Pendleton County Water District
P. O. Box 232
Falmouth, KY 41040

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Manager
East Pendleton Water District
600 Woodson Road
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Attorney at Law
525 High Street, Suite 32
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES) CASE NO. 2006-00403
OF THE CITY OF FALMOUTH)

O R D E R

The city of Falmouth, Kentucky ("Falmouth") proposes to adjust its existing rate for wholesale water service to Pendleton County Water District ("Pendleton") and East Pendleton County Water District ("East Pendleton"). The Commission suspended the proposed adjustment of rates and entered a procedural schedule, which was subsequently amended, on December 6, 2006.

On January 11, 2007, at the request of Falmouth, Commission Staff held an informal conference with Falmouth, Pendleton, and East Pendleton to discuss the Commission's data request to Falmouth. From indications in the informal conference request and at the informal conference, it appears that Falmouth is having difficulty in obtaining the data requested and placing the data in a format useful to Commission Staff. The Commission, having considered the request by Falmouth, and being otherwise sufficiently advised, finds that Commission Staff should produce a Staff Report for Falmouth to determine a reasonable wholesale water rate and that the procedural schedule should be suspended.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in the Order of December 6, 2006 is suspended until further Order of the Commission.
2. Commission Staff shall perform a limited financial review for Falmouth and shall issue to all parties a report summarizing its findings and recommendations.
3. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 23rd day of January, 2007.

By the Commission

ATTEST:



Executive Director