



*Goodman
Opinion the file*

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

March 18, 1997

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GENERAL COUNSEL

Mr. Jack Roe, President
Bluebank Land Development
P. O. Box 1024
Morehead, Kentucky 40351

Dear Mr. Roe:

You have inquired whether a sewer system constructed for the development of a golf course and subdivision in Rowan County would fall under PSC jurisdiction if the developers decide to levy a rate for use of the sewer system. Presently the homeowners are not charged for the use of the system.

KRS 278.010 defines a sewer utility as any person or corporation, except a city, who owns, operates, manages, or controls a facility which treats sewage for the public for compensation. Should the developers decide to charge rates for the service currently provided at no cost to the homeowners, they would first have to obtain the approval of the PSC to do so. In seeking to establish rates, the utility may qualify for an alternative rate adjustment pursuant to our regulation for small utilities. If you desire additional information on the alternative method for a rate adjustment, please contact Rebecca W. Goodman of our legal Staff at (502) 564-3940, Extension 261.

Sincerely,

A handwritten signature in cursive script, appearing to read "Don Mills".

Don Mills
Executive Director

BLUEBANK LAND DEVELOPMENT

97-60439

P. O. BOX 1024
MOREHEAD, KY 40351

Phone 606 784-7164
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P. S. C.
Rates & Research Div.

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PUBLIC SERVICE
COMMISSION

Mr. Don Mills
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

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GENERAL COUNSEL

Mr. Mills:

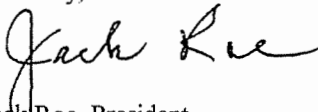
This letter concerns the development of a golf course and subdivision in Rowan County, Kentucky.

In conjunction with this development we have installed a sewer system which currently runs into a lagoon. This system will eventually be turned over to the Morehead Utility Plant Board and be hooked into their system.

Presently, homeowners are not charged for the use of this system. If in the future we decide to levy a charge for this service are we required to have the rates approved by your office?

Please let us know the proper procedure for implementing this fee.

Sincerely,



Jack Roe, President