

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------------|---|-----------------|
| PURCHASED WATER ADJUSTMENT OF |) | |
| HANCOCK COUNTY PUBLIC IMPROVEMENT |) | CASE NO. 89-176 |
| CORPORATION |) | |

O R D E R

On June 29, 1989, Hancock County Public Improvement Corporation ("Hancock") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068. Hancock proposed to adjust the rates to its customers effective July 1, 1989.

East Daviess County Water Association ("East Daviess") has operated and managed the Hancock water system since its initial construction.¹ On May 18, 1989, Hancock filed an application with the Commission requesting approval of the sale and transfer of the Hancock water system to East Daviess.² The Commission entered its

¹ Case No. 9931, The Application of Hancock County Public Improvement Corporation and the County of Hancock, (1) For a Certificate that Public Convenience and Necessity Requires the Construction of Water Distribution Facilities in a Portion of Hancock County; and (2) Seeking Approval of the Issuance of Certain Securities; and (3) For an Order Authorizing Proposed Water Service Rates and Charges.

² Case No. 89-135, The Application of Hancock County Public Improvement Corporation and Hancock County, Kentucky for Approval of an Agreement of Sale Providing for the Purchase by the East Daviess County Water Association, Inc. from Hancock County Public Improvement Corporation of the Corporation's Existing Waterworks Distribution System.

Order in that case on June 30, 1989 approving the transfer to East Daviess.

The Commission, having taken official notice of the prior cases cited herein, having reviewed the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. The Hancock water system was transferred to and became a part of East Daviess prior to the effective date of the rates proposed herein.

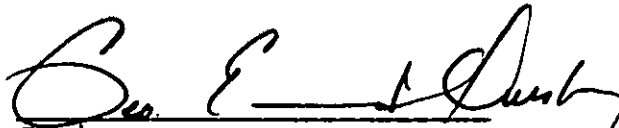
2. In Case No. 89-135, East Daviess was ordered to adopt, ratify, and make its own all of Hancock's rates, rules, classifications, and regulations. Therefore, a change in the rates based on an application from Hancock is inappropriate.

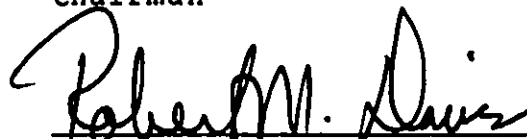
3. The purchased water adjustment filed by Hancock should be dismissed.

IT IS THEREFORE ORDERED that the purchased water adjustment application filed herein is hereby dismissed.

Done at Frankfort, Kentucky, this 19th day of July, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Commissioner

Executive Director