

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SALT RIVER WATER DISTRICT AND KENTUCKY )  
TURNPIKE WATER DISTRICT JOINT PETITION ) CASE NO. 92-169  
FOR APPROVAL OF MERGER AGREEMENT AND )  
RETAIL RATE ADJUSTMENT )

O R D E R

This matter arises upon the July 20, 1992 filing by Intervenors Dovie Sears, et al. of a motion to comply with KRS 74.361(2) or alternately to comply with KRS 278.170(1). The Intervenors move the Commission to conduct the feasibility study mandated by KRS 74.361(2). Intervenors plead alternatively that if the Commission should determine that KRS 74.361 applies only to mergers initiated by the Commission and is inapplicable in this case, then the Commission should require the joint petitioners to design and file nondiscriminatory rates for the merged entity that comply with KRS 278.170(1).

After consideration of the motion to comply with KRS 74.361(2) or in the alternative to comply with KRS 278.170(1), the response to said motion filed by Joint Petitioner Salt River Water District and the city of Shepherdsville and being otherwise sufficiently advised, the Commission finds that the motion should be denied. KRS 74.361 is inapplicable to the merger being reviewed in the instant case. KRS 74.363 provides that the board of commissioners of any two or more water districts may by concurrent action and by approval of the majority of the membership of the board of each

merge their districts into one. This statute, by its express terms, would apply in the situation of a voluntary merger such as the one presented in this case. KRS 74.361 expressly applies to Commission initiated merger proceedings and as such have no application to this case.

That portion of the motion requesting the Commission to require the two districts to design and file nondiscriminatory rates for the merged entity pursuant to KRS 278.170(1) appears premature. That statute provides:

No utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions.

The Commission reminds the Intervenors in this proceeding that these rates have not been approved by the Commission, and the Commission, ever mindful of its statutory duty, will seek to ensure that fair, just, and reasonable rates are approved in the event the merger is approved. Until such time as this proceeding is concluded by final Order of the Commission, the Intervenors are free to engage in discovery with the Joint Petitioners and to make any proposal regarding a nondiscriminatory rate design for the merged entity should merger be approved and submit same for the Commission's consideration.

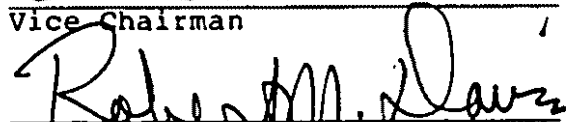
IT IS THEREFORE ORDERED that the motion to comply with KRS 74.361(2) or alternately to comply with KRS 278.170(1) be and it hereby is denied.

Done at Frankfort, Kentucky, this 7th day of August, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director