

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BRONSTON WATER)
ASSOCIATION, INC. FOR A PURCHASED WATER) CASE NO. 95-152
ADJUSTMENT)

O R D E R

On April 5, 1995, Bronston Water Association, Inc. ("Bronston") filed an application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure under KRS 278.012 and 807 KAR 5:068. Bronston purchases water from the Monticello Utility Commission ("Monticello"), a municipal utility. According to Bronston's application, Monticello has increased its wholesale rates. Monticello has not filed its new rates with the Commission.

Pursuant to the Kentucky Supreme Court's decision in Simpson County Water District v. City of Franklin, Ky., 872 S.W.2d 460, which held that the Commission has jurisdiction over the wholesale rates and service of municipal utilities which provide utility service to any public utility, the Commission established Administrative Case No. 351.¹ In this case, the Commission ordered that each municipal utility providing wholesale utility service to a public utility submit to the Commission a copy of its contract

¹ Administrative Case No. 351, Submission of Contracts and Rates of Municipal Utilities Providing Wholesale Utility Service to Public Utilities.

for such service and a schedule of its wholesale rates. The Commission also ordered that any municipal utility wishing to change or revise a contract or rate for wholesale utility service to a public utility file with the Commission, no later than 30 days prior to the effective date of the revision, the revised contract and rate schedule.

Consistent with the Commission's Order in Administrative Case No. 351 and KRS 278.160, contracts and rate schedules filed with the Commission shall control the rates and conditions of service of the parties. Changes to those currently on file with the Commission shall be made in accordance with KRS 278.180 and Commission Regulation 807 KAR 5:011. Until such changes are approved by the Commission, the old contracts and rate schedules remain in effect.

If Monticello wishes to change or revise a contract or rate for wholesale utility service to Bronston, it must file with the Commission, no later than 30 days prior to the effective date of the revision, the revised contract and rate schedule. Until Monticello so files, Bronston should not be granted a purchased water adjustment.

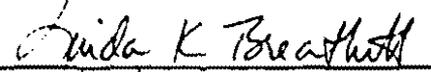
IT IS THEREFORE ORDERED that Bronston's application for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure be and hereby is denied, without prejudice.

Done at Frankfort, Kentucky, this 26th day of April, 1995.

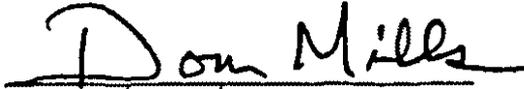
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director