

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SANDY VALLEY WATER DISTRICT)	
)	
COMPLAINANT)	
)	
VS.)	CASE NO. 94-407
)	
PRESTONSBURG CITY'S UTILITIES COMMISSION)	
)	
DEFENDANT)	

O R D E R

Sandy Valley Water District ("Sandy Valley") filed a verified complaint with the Commission on October 27, 1994, alleging that Prestonsburg City's Utilities Commission ("Prestonsburg"), its wholesale supplier, unilaterally raised the wholesale rate to Sandy Valley contrary to the terms of the parties' water purchase contract.

Concurrent with that filing, Sandy Valley filed a motion for immediate relief requesting the Commission rule ex parte that Prestonsburg had to maintain service to Sandy Valley while this dispute was pending. On November 2, 1994, counsel for Prestonsburg advised the Commission that Prestonsburg would not terminate service to Sandy Valley during discussions to resolve this dispute. The Commission took no action on Sandy Valley's motion based upon the representations of counsel for Prestonsburg.

Prestonsburg's answer was filed on April 17, 1995. The Commission, on its own motion, scheduled an informal conference

with the parties, which was subsequently canceled due to scheduling conflicts with Prestonsburg. The parties agreed to inform the Commission of a mutually agreeable date for a conference to be held.

No further action on the complaint was taken until Sandy Valley was directed by Order entered January 16, 1996, to notify the Commission of the status of its complaint within 10 days. Sandy Valley responded to the Order on January 24, 1996 stating that the parties were unable to reach a settlement and further negotiations had ceased. Sandy Valley indicated it would file a motion for summary judgment with the Commission within 30 days of its January 24, 1996 response. No motion for summary judgment was filed and accordingly, on March 22, 1996, the Commission dismissed Sandy Valley's complaint.

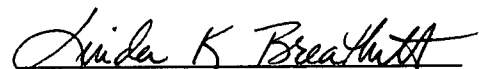
Sandy Valley filed a motion on April 4, 1996, requesting the Commission reconsider the dismissal of its complaint representing that settlement discussions have resumed between the parties and, that based on a telephone discussion with Staff, it had advised the Commission that no motion for summary judgment would be forthcoming as expected. Sandy Valley should be aware and, if not, is hereby advised that the Commission will not act on oral requests for action. Any requests for extensions of time for acting pursuant to Commission directives must always be in writing to the Commission and timely filed. In the alternative, Sandy Valley requests the Commission amend its March 22, 1996 Order to reflect that the Complaint is dismissed "without prejudice." Prestonsburg filed

its response to Sandy Valley's motion dated April 17, 1996 and stating it does not object to Sandy Valley's alternative request for relief. Based upon the motion, Prestonsburg's response, and being otherwise sufficiently advised, the Commission finds that the Order dated March 22, 1996 should be amended.

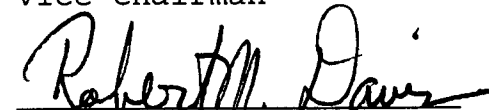
IT IS THEREFORE ORDERED that Sandy Valley's motion is granted and the Commission's March 22, 1996 Order is amended to reflect that Sandy Valley's complaint is dismissed without prejudice.

Done at Frankfort, Kentucky, this 18th day of April, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director