

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE )  
WHOLESALE WATER SERVICE RATES OF THE ) CASE NO.  
MUNICIPAL WATER AND SEWER SYSTEM OF ) 96-068  
THE CITY OF CENTRAL CITY, KENTUCKY )

O R D E R

After submitting proposed revisions to its existing wholesale water rates, the Municipal Water and Sewer System of the City of Central City, Kentucky ("Central City") negotiated amendments to its existing wholesale water purchase contracts with Muhlenberg County Water District and Muhlenberg County Water District No. 3. Central City has filed these amendments as an amendment to its proposed rate revisions and requests their immediate approval. No objections to this request have been received.

Having considered the request and being otherwise sufficiently advised, the Commission finds that Central City's request should be granted. The purpose of the Commission's jurisdiction over a municipal utility's wholesale transactions with a public utility is to ensure that any public utility "consumer/customer that has contracted and become dependent for its supply of water from a city utility is not subject to either excessive rates or inadequate service." Simpson County Water District v. City of Franklin, Ky., 872 S.W.2d 460, 465 (1994).

In the case at bar, this purpose has been served. The public utilities that purchase water from Central City made clear their objections to the proposed

adjustment. Central City then satisfactorily addressed the concerns of each public utility and all have agreed to new rate revisions.


As the proposed rates on their face appear neither unreasonable nor unconscionable, the Commission sees no need to conduct further proceedings in this matter.

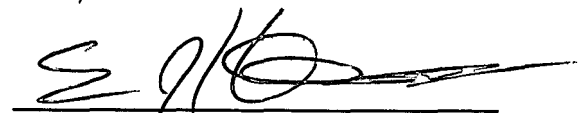
IT IS THEREFORE ORDERED that:

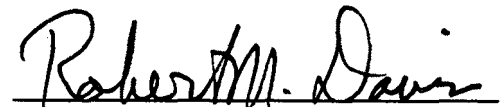
1. Central City's Request is granted.
2. The rates set forth in the "Amendment To Water Purchase Contracts" are approved for wholesale water service rendered by Central City to public utilities on and after the date of this Order.
3. Central City shall, within 30 days of the date of this Order, file tariff sheets which reflect the rates approved herein.

Done at Frankfort, Kentucky, this 12th day of September, 1996.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director