

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CITY OF STANFORD, WATER AND)	
SEWER COMMISSION)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 96-556
)	
MCKINNEY WATER DISTRICT)	
)	
DEFENDANT)	


O R D E R

On August 13, 1997, the Commission received a letter from the parties indicating they had settled the issues raised in this proceeding. Attached was a proposed order for the Commission's signature entitled Agreed Order Dismissing Complaint. On August 18, 1997, in response to a request by Commission Staff, the Complainant submitted a letter addressed to Defendant's counsel which outlined the settlement between the parties. A copy of this correspondence is attached. As the complaint of the City of Stanford against McKinney Water District appears to have been satisfied, this case should be dismissed.

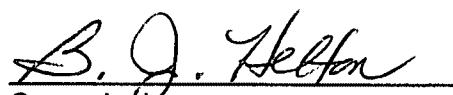
IT IS THEREFORE ORDERED that this case be dismissed and removed from the Commission's docket.

Done at Frankfort, Kentucky, this 27th day of August, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

JAMES W. WILLIAMS, III
ATTORNEY AT LAW
ROOM 4, WALKER BUILDING
201 EAST MAIN STREET
STANFORD, KENTUCKY 40484

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STANFORD, KENTUCKY 40484

RECEIVED
AUG 18 1997
GENERAL COUNSEL

TELEPHONE
(606) 365-9166
Fax (606) 365-9167
E-mail jwilliams@kih.net

August 15, 1997

Public Service Commission
Attn: John Steffen
P.O. Box 615
Frankfort, Kentucky 40602

RECEIVED

AUG 18 1997

PUBLIC SERVICE
COMMISSION

RE: City of Stanford v. McKinney Water District
Case No. 96-556

Dear John:

Enclosed herewith you will find a copy of my letter dated August 11, 1997 to John Hackley, the attorney for McKinney Water District, which outlines the settlement reached between the parties.

If you have any questions, give me a call.

Sincerely,



James W. Williams III

JWW:pga

COPY

JAMES W. WILLIAMS, III
ATTORNEY AT LAW
ROOM 4, WALKER BUILDING
201 EAST MAIN STREET
STANFORD, KENTUCKY 40484

Revised **
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AUG 18 1997

GENERAL COUNSEL

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TELEPHONE
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E-mail jwilliams@kih.net

August 11, 1997

Honorable John Hackley
Hand-delivered

RECEIVED

AUG 18 1997

PUBLIC SERVICE
COMMISSION

RE: Stanford Water v. McKinney Water

Dear John:

The resolution which you provided me is agreeable with the City of Stanford except that the actual number of days in each six month period must be used in the calculation, rather than saying 6,200,000 gallons per month. In other words, the actual number of days for the six month period will be divided into the total usage for the period to determine the average daily usage.

Basically, McKinney will replace the other two meters at Neals Creek and Rowland with new turbine meters of equal quality as the one installed on Water Street.

In accordance with the PSC regulations, all these meters will be tested annually, let's say on July 1, of each year and Stanford will be furnished a copy of the test results.

Strainers will be installed with the new meters. Also, vaults will be constructed to house the meters and the vaults should have a drainage pipe so that surface water will not accumulate in the vault. The vaults will remain locked with both Stanford and McKinney to have a key.

Of course, the PSC complaint will be dismissed immediately. We would ask that the new meters to be installed within thirty days.

The design of our water plant expansion is taking longer than expected. We hope to bid this project later this fall and have it up and running by the fall of 1998. Once this improvement is made, our treatment capacity will be substantially increased and we would like to set down with

Honorable John Hackley
August 11, 1997
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McKinney and completely renegotiate the contracts at that time, as Stanford will then be able to furnish more water to serve McKinney's present and future needs. Things may get a little tight next summer, particularly if we have an extended hot, dry spell. We may ask McKinney to join in certain conservation efforts which will be placed upon all our customers if this occurs. We are now pumping 24 hours per day, 7 days per week but are meeting the present demand. Hopefully the summer of 1998 will not be much different from this summer so that curtailed usage or restrictions can be avoided. Again, once our plant expansion project is complete, we should have enough water to provide for considerable growth in both systems.

McKinney is Stanford's largest customer and Stanford wants to maintain good relations in furnishing McKinney's present and future needs.

Sincerely,

James W. Williams III
JWW:pga