

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES) CASE NO. 98-497
OF THE CITY OF AUGUSTA,)
KENTUCKY)

ORDER

The City of Augusta, Kentucky ("Augusta") has made a written request to the Commission for authority to place its proposed wholesale water service rate into effect immediately, subject to refund. In support of its request, Augusta has submitted financial statements that show monthly water operating expenses are exceeding its gross revenues from water sales. Kentucky Rural Water Association has submitted a letter in support of Augusta's request in which it states that "[t]he financial integrity of the City of Augusta water system is in jeopardy and warrants the implementation of an emergency rate increase." Bracken County Water District has not opposed Augusta's request.

Considering Augusta's request as a motion to lift the suspension of the proposed adjustment of its wholesale water service rate and finding that Augusta's operations will be materially impaired by the failure to permit the proposed wholesale water service rate to become effective before March 18, 1999, the Commission HEREBY ORDERS that:

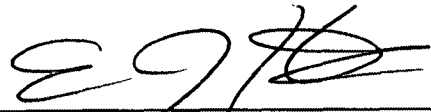
1. Augusta's Motion to Lift the Suspension is granted.
2. Augusta may place the proposed wholesale water service rates into effect, subject to refund, for service provided on and after the date of this Order.


3. Augusta shall maintain its records in such a manner that, in the event a refund is ordered, Augusta, or Augusta's wholesale customers, or the Commission will be able to determine who should receive refunds and the amounts thereof.

Done at Frankfort, Kentucky, this 28th day of October, 1998.

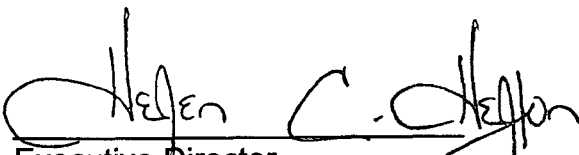
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director