

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)	
WATER SERVICE RATES OF THE CITY OF)	CASE NO. 99-276
WILLIAMSON, WEST VIRGINIA)	

ORDER

The City of Williamson, West Virginia (Williamson) has proposed to adjust its existing rate for wholesale water service to Mountain Water District (Mountain District). Williamson proposes that these revisions become effective on and after July 1, 1999. Mountain District has requested that the Commission suspend and investigate the proposed rate adjustment and has further moved to intervene in any Commission investigation of the proposed rate adjustment.

Having considered the proposed rate adjustment and being otherwise sufficiently advised, the Commission finds that:

1. Mountain District has a special interest in this proceeding which is not otherwise adequately represented, and its intervention is likely to present issues or to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting this proceeding.

2. Because Williamson is not a Kentucky city, and because the interstate nature of the transactions between Williamson and Mountain District and call the extent of the Commission s jurisdiction into question, the issue of jurisdiction must be explored prior to the institution of any proceedings concerning the reasonableness of the proposed rate.

3. The Commission should conduct further proceedings, pursuant to KRS 278.190, to determine the reasonableness of the proposed rate if jurisdiction is found to exist.

IT IS THEREFORE ORDERED that:

1. Williamson's proposed rate is suspended for five months from July 1, 1999 to November 30, 1999.

2. Mountain District is made a party to this proceeding. Any party filing testimony, exhibits, pleadings, correspondence or any other documents with the Commission shall serve a copy of such documents on Mountain District.

3. Within 30 days of the date of this Order, Williamson and Mountain District shall each file a written brief on the Commission's jurisdiction over the rates charged by Williamson to Mountain District. Each party's brief shall address the following issues:

a. Where does Williamson's sale of water to Mountain District occur?

(1) In what state does Williamson's sale of water to Mountain District occur?

(2) Where is the point(s) of delivery of water sold by Williamson to Mountain District?

b. What effect, if any, does the holding of City of Cincinnati, Ohio v. Commonwealth ex rel. Reeves, Ky., 167 S.W.2d 709 (1942), have on the Commission's authority to regulate the proposed wholesale rate?

c. Are KRS 278.200 and the holding of Simpson County Water District v. City of Franklin, Ky., 872 S.W.2d 460 (1994) applicable to this case if Williamson is not a Kentucky city?

d. If Williamson is not a city as the term is used in KRS 278.010(3),
is Williamson a utility as defined in KRS 278.010(3)?

Done at Frankfort, Kentucky, this 30th day of June, 1999.

By the Commission

ATTEST:

Executive Director