

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WATER PURCHASE AGREEMENT BETWEEN)	
NORTHERN KENTUCKY WATER SERVICE)	CASE NO. 2000-237
DISTRICT AND BULLOCK PEN WATER DISTRICT)	

ORDER

Northern Kentucky Water District (“NKWD”)¹ and Bullock Pen Water District (“Bullock Pen”) have petitioned for rehearing of the Commission’s Order of July 6, 2000 in this matter. Having considered the petitions and being otherwise sufficiently advised, the Commission HEREBY ORDERS that:

1. NKWD and Bullock Pen’s petitions for hearing are granted.
2. Rehearing is granted only on the following issues:
 - a. Does the financing agreement between Rural Development and NKWD under which the Subdistrict C water main extension was financed (“RD Agreement”) permit NKWD to assess more than one surcharge to a user served through that extension?
 - b. If the RD Agreement permits NKWD to assess more than one surcharge to a user, what is the appropriate number of surcharges that NKWD should assess Bullock Pen?

¹ Following the submission of the proposed contract to the Commission, NKWD changed its name from Northern Kentucky Water Service District to Northern Kentucky Water District.

c. Is the size of the meter through which a customer is served an appropriate consideration for determining the amount of any surcharge assessed to Subdistrict C customers for the purpose of recovering the debt service costs associated with the Subdistrict C water main extension?

d. If the size of the meter through which a customer is served is an appropriate consideration for determining the amount of such surcharge, what is the appropriate surcharge level for each meter size?

e. Is the contract rate of \$1.44 per 1,000 gallons of water consistent with the minimum rates set forth in the RD Agreement?

f. What action, if any, should be taken by the Commission regarding the current NKWD wholesale water contract with Pendleton County Water District if the NKWD-Bullock Pen contract as presented is not approved?

2. A formal hearing in this matter shall be held on September 26, 2000, at 10:00 a.m., Eastern Time, in Hearing Room 2 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, and continuing until completed.

3. Within 20 days of the date of this Order, each party shall file an original and 8 copies of the following with the Commission and serve upon a copy upon all parties of record:

a. List of the names and addresses of all witnesses that it intends to call as a witness at the formal hearing.

b. A summary of the expected testimony of each witness.

c. A copy of all documents and exhibits that it intends to introduce into evidence at the schedule hearing.

4. Any motion requesting any informal conference with Commission Staff to consider any matter which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 15th day of August, 2000.

By the Commission

ATTEST:



Executive Director, Acting