

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH SHORE WATER WORKS COMPANY	)	
	)	
COMPLAINANT	)	
	)	
v.	)	CASE NO. 2002-00003
	)	
CITY OF GREENUP, KENTUCKY	)	
	)	
DEFENDANT	)	

O R D E R

South Shore Water Works Company ( South Shore ) and the city of Greenup, Kentucky ( Greenup ) have petitioned for rehearing in this matter. Having considered the petitions and being otherwise sufficiently advised, the Commission finds that our Order of July 24, 2002 should be amended to more accurately reflect the terms to which the parties agreed.

South Shore s application, which the Greenup City Council accepted on April 7, 1998, provided inter alia that:

- South Shore would faithfully pay for water service at a wholesale rate per 1,000 gallons that does not exceed the wholesale rate or reduced rate charged to any other individual, person, company, business, corporation, governmental identity [sic] or water supplier.
- The minimum bill for water service through the proposed connections should not exceed the rate for 1,000 gallons of water or be based upon the size of the meter connection.

We interpret the former term as requiring South Shore to pay a monthly minimum bill that would not exceed that which Greenup assessed to any other wholesale customer.

We interpret the latter term as limiting the amount of water for which South Shore may be assessed in a minimum bill to 1,000 gallons and at a rate that is no greater than that assessed to any Greenup wholesale customer.

In our Order of July 24, 2002, we failed to take into consideration the latter term and the restrictions that it imposed upon Greenup's rate for service to South Shore. Accordingly, we find that Ordering Paragraph 3 of that Order should be amended to limit the minimum bill that is imposed. As we noted in our Order of July 24, 2002, nothing within the initial contract prohibits or precludes Greenup from revising the[se] rates. Should Greenup find that the agreed minimum bill provision prevents it from recovering the actual cost of serving South Shore, we strongly encourage it to revise its rates.

IT IS THEREFORE ORDERED that:

1. South Shore's Petition for Rehearing is granted.
2. Greenup's Petition for Rehearing is denied.
3. Ordering Paragraph 3 of the Commission's Order of July 24, 2002 is

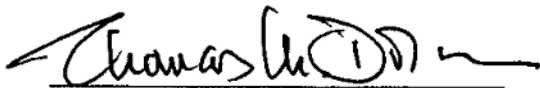
amended to read:

Greenup shall assess a monthly minimum bill that is no greater than that assessed to any other wholesale customer. This minimum bill shall be based solely upon the the consumption of 1,000 gallons of water at the rate currently assessed to Greenup's wholesale customers and shall not include any billing component related to the size of South Shore's meter or connection to Greenup's distribution system.

Done at Frankfort, Kentucky, this 21<sup>st</sup> day of August, 2002.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Charles H. [unclear]", written over a horizontal line.

Executive Director