

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A FILING BY MOUNT STERLING WATER	)	
AND SEWER SYSTEM TO AMEND ITS	)	
CONTRACT WITH REID VILLAGE WATER	)	CASE NO. 2002-00255
DISTRICT BY ESTABLISHING A MONTHLY	)	
MAXIMUM PURCHASE LIMIT	)	

O R D E R

The Commission placed this matter on its docket to investigate a proposed revision by Mount Sterling Water and Sewer System ( Mount Sterling ) of its Water Purchase Contract with Reid Village Water District ( Reid Village ).

On March 5, 2003, both parties informed the Commission that this matter can be resolved without a hearing before the Commission. The parties requested and were granted additional time in which to negotiate a settlement. In the Commission s Order of March 11, 2003, Mount Sterling and Reid Village were directed to file with the Commission on or before May 5, 2003 a report of their efforts to reach a settlement. On May 6, 2003, a report was filed on behalf of both parties explaining their continuing negotiations for a new wholesale water purchase contract and for the resolution of other controversies between the parties. While the Commission encourages good faith negotiations between parties to reach a settlement, the Commission must also ensure that the dispute is timely resolved. Based upon the assurances of the parties, the Commission finds that the requested additional time should be granted for continuing negotiations between the parties.

The Commission, being sufficiently advised, HEREBY ORDERS that:

1. On or before July 7, 2003, Mount Sterling and Reid Village shall file with the Commission a report of their efforts to reach a settlement in this matter.
2. If no settlement is presented by the parties by July 7, 2003, a procedural schedule will be established in this case.

Done at Frankfort, Kentucky, this 9<sup>th</sup> day of May, 2003.

By the Commission

ATTEST:

  
Executive Director