

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE INVESTIGATION OF THE HOPKINSVILLE WATER )  
ENVIRONMENT AUTHORITY S WHOLESALE RATE TO ) CASE NO.  
CHRISTIAN COUNTY WATER DISTRICT ) 2003-00087

O R D E R

On January 3, 2002, The Hopkinsville Water Environment Authority ( Hopkinsville ) notified Christian County Water District ( Christian County ) that the wholesale rate it is charged by Hopkinsville was increasing from \$1.44 per thousand gallons to \$1.73 per thousand gallons effective January 1, 2002. Hopkinsville claims that the new rate was calculated from the formula contained in its June 28, 1973 Water Purchase Contract with Christian County that was subsequently approved by the Commission on September 1, 1994. Hopkinsville further claims that this contract and formula have been used continuously since 1973 for routinely setting and evaluating water purchase rates, and that the new rate was derived using costs contained in its most recent audit. Christian County responds by claiming that Hopkinsville did not make the required filing of the proposed rate increase with the Commission, and therefore continues to pay for the amount of water it uses at the old rate.

The Commission finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of Hopkinsville s new wholesale rate. Accordingly, the new rate shall not become effective pending final action by the Commission.

IT IS HEREBY ORDERED that this proceeding is established to investigate  
Hopkinsville's wholesale water rate increase to Christian County.

Done at Frankfort, Kentucky, this 11<sup>th</sup> day of March, 2003.

By the Commission

ATTEST:

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

Executive Director