COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COMMONWEALTH WASTEWATER SYSTEMS, LLC FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY, INITIAL RATES AND AUTHORITY TO OPERATE

CASE NO. 2003-00431

<u>ORDER</u>

On July 8, 2004, the Commission granted Commonwealth Wastewater Systems, LLC's ("Commonwealth") request for rehearing of our Order of June 3, 2004 to consider the establishment of a commercial rate. By that earlier Order, we granted a Certificate of Public Convenience and Necessity to construct a wastewater facility in Boyle County, Kentucky to serve approximately 25 customers and established for that facility a rate for sanitary sewer service to residential structures.

When presenting its motion, Commonwealth noted that its original application included a commercial rate. It represented to the Commission that it had "a potential commercial customer that has indicated interest in service" and that, without an approved rate, Commonwealth "cannot provide assurance of service." Motion for Rehearing at 1. Commonwealth failed to state the location of this customer or suggest that a facility other than the Boyle County facility would serve this potential customer.

In response to our Order of July 8, 2004, Commonwealth advised the Commission that the proposed customer was a stockyard in Georgetown, Kentucky and that the Boyle County wastewater facility would not serve this potential commercial customer. A proposed facility in Scott County, for which no application for a Certificate of Public Convenience and Necessity has yet been filed and which is located approximately 50 miles from the Boyle County facility, would serve the potential customer. Commonwealth provided no support for the projections and estimates that it used to develop the proposed commercial rate. Moreover, Commonwealth has not identified in either its response to the Order of July 8, 2004 or its earlier submissions to this Commission any potential commercial customers for its Boyle County facility.

Based upon our review of the record, the Commission finds that Commonwealth's request for a commercial rate is premature, is irrelevant to the issues presented in its application, and should be considered in a separate proceeding. We further find that no proceeding to consider a commercial rate for the Scott County facilities should be conducted until Commonwealth has applied for a Certificate of Public Convenience and Necessity for those facilities and has developed and provided this Commission the calculations and assumptions necessary to review a proposed commercial rate.

IT IS THEREFORE ORDERED that:

1. Commonwealth's request for a commercial rate is denied.

This case is closed and shall be removed from the Commission's docket.
Done at Frankfort, Kentucky, this 10th day of September, 2004.

By the Commission

ATTEST:



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