

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE )  
WHOLESALE WATER SERVICE RATES ) CASE NO. 2004-00286  
OF THE CITY OF MT. VERNON )

ORDER

On June 28, 2004, the City of Mt. Vernon (the "City") sent to the Commission, via facsimile, a notice that it planned, pursuant to contract terms, to increase its wholesale water rates to the Eastern Rockcastle County Water Association and the Western Rockcastle County Water Association (the "Water Associations"). Attached to the notice are letters from the Water Associations accepting the increase, as well as a copy of the Ordinance of the City authorizing the new rates.

The City states that, because it was unaware of the legal requirement that it file new rates with this Commission, it had not previously submitted its rate increase, and requests approval of the adjustment as of June 28, 2004. In the alternative, the City requests that the increase be allowed to become effective in 20 days. In support of its request, the City cites the agreement of the Water Associations, the timely notice given to the Water Associations, and the increasing costs of providing water that necessitate a rate increase.

KRS 278.180 states that no rate may be changed except upon thirty (30) days' notice to the Commission except that the Commission may, upon a showing of good cause, reduce the notice period to twenty days. As a matter of law, therefore, the rate

increase may not be effective as of June 28, 2004. However, the Commission finds that good cause exists to reduce the notice period to twenty days in this instance.

IT IS THEREFORE ORDERED that the rate increase requested by the City may go into effect twenty days from June 28, 2004.

Done at Frankfort, Kentucky, this 21<sup>st</sup> day of July, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom.

Executive Director