

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES OF) CASE NO. 2010-00148
IRVINE MUNICIPAL UTILITIES)

ORDER

On February 22, 2010, Irvine Municipal Utilities ("Irvine") filed a rate schedule with the Commission in which it proposed to increase its wholesale water service rate to Estill County Water District No. 1 ("Estill District") from \$2.164 per 1,000 gallons to \$2.222 per 1,000 gallons, or approximately 2.7 percent, effective April 16, 2010. Upon receipt of a request from Estill District to examine the proposed rate adjustment, the Commission suspended the proposed rate and initiated this proceeding. On July 14, 2010, Estill District advised the Commission in writing that it no longer objected to the proposed adjustment and requested leave to withdraw from this proceeding. We will treat this request as a motion for leave to withdraw.

Having considered Estill District's motion to withdraw and being otherwise sufficiently advised, the Commission finds that the motion should be granted and that Irvine's proposed rate should be allowed to become effective. The purpose of the Commission's jurisdiction over a municipal utility's wholesale transactions with a public utility is to ensure that any public utility "consumer/customer that has contracted and

become dependent for its supply of water from a city utility is not subject to either excessive rates or inadequate service.”¹

In the case at bar, this purpose has been served. The affected public utility made clear its objections to the proposed rate adjustment. Addressing the concerns of its wholesale customer, Irvine has convinced that customer of the reasonableness of the proposed rate adjustment. Estill District has withdrawn its objection to the proposed rate adjustment and requested leave to withdraw from this proceeding.

As the proposed rates on their face appear neither unreasonable nor unconscionable, the Commission sees no need to conduct further proceedings in this matter.²

IT IS THEREFORE ORDERED that:

1. Estill District's motion for leave to withdraw from this proceeding is granted.
2. Irvine's proposed wholesale water service rate of \$2.222 per 1,000 gallons is approved for service rendered on and after the date of this Order.
3. Irvine's separate fee of \$0.12 per 1,000 gallons to recover costs related to the Kentucky River Authority's assessment shall continue in effect.
4. Within 20 days of the date of this Order, Irvine shall file a revised tariff sheet that reflects the authorized rate adjustment.

¹ *Simpson County Water District v. City of Franklin, Ky.*, 872 S.W.2d 460, 465 (Ky. 1994).

² To the extent that KRS 278.200 requires a hearing in this matter, Estill District's withdrawal constitutes a waiver of any right to such hearing.

By the Commission

ENTERED *M*
SEP 10 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



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