

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF HARDIN COUNTY WATER)
DISTRICT NO. 1 TO ESTABLISH) CASE NO. 2010-00459
NONRECURRING CHARGES)

ORDER

Hardin County Water District No. 1 ("Hardin District") has submitted proposed revisions to its rate schedules to establish a fee for electronic payments made through its internet website and to establish conditions for the provision of free water service for fire protection purposes. On November 30, 2010, the Commission initiated this proceeding to investigate the reasonableness of the proposed fee and suspended the operation of the proposed fee.¹ We further directed Hardin District to provide additional information and documents regarding the proposed fee.²

Hardin District currently permits customers to pay their service bills through its website by credit card, debit, or electronic check. No fee is currently charged for this service. Hardin District proposes to assess a fee of \$1.20 for each payment for service made through its internet website. Under this proposal, a customer who wishes to make an online payment would visit Hardin District's website and select a payment option. The customer is then advised that he will be directed to a secure on-line

¹ In our Order of November 30, 2010, we suspended operation of the electronic payments fee only. We noted that the proposed revisions related to free water for fire protection purposes had been accepted and would become effective on December 1, 2010.

² No person has sought intervention in this proceeding. Hardin District did not request a hearing in this matter. Hardin District published notice of the proposed fee in accordance with 807 KAR 5:011, Section 10. The record shows that no comments regarding the proposed fee have been submitted to the Commission.

account system, compliant with the Payment Card Industry Data Security Standard and hosted on a third-party website. The customer must affirmatively choose whether to continue with the payment process or return to Hardin District's website. At the time the customer begins the on-line payment process, he will be advised of the payment fee of \$1.20 and must affirmatively agree to the fee for the payment process to continue.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed fee seeks to recover customer-specific costs incurred which would otherwise result in monetary loss to Hardin District or increased rates to other customers to whom no benefits accrue from the service provided.
2. Hardin District is not currently recovering the costs sought to be recovered through its general rates for water service.
3. The proposed fee relates directly to the service performed.
4. The proposed fee will yield only enough revenue to pay the expenses incurred in making electronic payment available through Hardin District's website.
5. Hardin District's proposed fee for electronic payments made through its website is reasonable and should be approved.

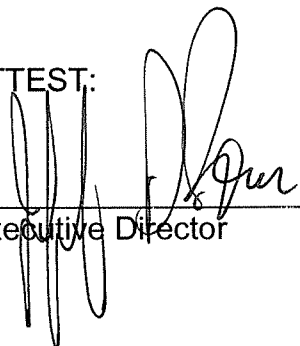
IT IS THEREFORE ORDERED that:

1. Hardin District's proposed fee of \$1.20 per payment for electronic payments made through its website is approved for service rendered on and after the date of this Order.
2. Within 20 days of the date of this Order, Hardin District shall file a revised tariff sheet reflecting the approved rate and complying with 807 KAR 5:011.

By the Commission

ENTERED *PK*
AUG 29 2011
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2010-00459

Mr. James S Bruce
General Manager
Hardin County Water District #1
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