

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF U.S. 60 WATER DISTRICT OF)	
SHELBY AND FRANKLIN COUNTIES, KENTUCKY)	
FOR NEW NONRECURRING CHARGES AND AN)	CASE NO. 2014-00039
INCREASE IN EXISTING NONRECURRING)	
CHARGES)	

ORDER

On February 6, 2014, U.S. 60 Water District of Shelby and Franklin Counties, Kentucky ("U.S. 60") applied for authority to revise certain nonrecurring charges and implement new nonrecurring charges for its water operations. The utility also requested text revisions to its tariff to comply with current statutes and regulations and to further clarify its rules. U.S. 60 requested an effective date of April 1, 2014, for the text revisions and nonrecurring charges. The Commission, by Order dated February 20, 2014, found that additional time was needed for its review and suspended the rates and text revisions to U.S. 60's tariff through August 31, 2014.

Commission Staff issued a request for information to U.S. 60 on March 12, 2014, seeking further clarification of costs associated with several proposed charges. U.S. 60 has provided adequate evidence of individual expenses incurred to provide the services associated with the proposed charges.

While reviewing the proposed text revisions, the Commission noted that U.S. 60's tariff contains unauthorized language. Under *Deposit and Interest*, the tariff states, "Interest as required by KRS 278.460 will be paid annually on the deposit, either by refund or credit to the customer's bill, *except that no refund or credit will be made if the*

customer's bill is delinquent."¹ The regulation which specifies the manner for processing interest on deposits upon termination of service is 807 KAR 5:006, Section 8(6)(d). A utility may not withhold annual interest on customer deposits even if the customer's bill is delinquent. In those cases, the interest should be credited to the customer's account.

The Commission also noted that the language regarding turn-on fees did not indicate whether the turn-on fee would be charged when a meter connection/tap-on fee was applicable. The regulation for turn-on fees is 807 KAR 5:006, Section 9(3)(a)(2). "A turn-on charge shall not be made for initial installation of service if a tap fee is applicable."

The Commission further noted that the language regarding delinquent account collection charges did not indicate how many times the charge could be collected in a billing cycle. The regulation for late-payment charges is 807 KAR 5:006, Section 9(3)(h)(1). Charges related to late payments can be assessed only once during a billing period.

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

1. The proposed nonrecurring charges are for expenses incurred to provide the associated service.
2. The nonrecurring charges set forth in the Appendix to this Order are fair, just, and reasonable and should be approved.
3. U.S. 60 should remove the language from its tariff indicating that a customer whose bill is delinquent will not receive a credit or refund for annual interest on a deposit.

¹ Application, Exhibit 8 at p.1. (Emphasis added.)

4. The tariff should include the following additional language under *Turn-on Fee*: “The Meter Turn-on Charge will not be charged for an initial installation of service where a meter connection/tap-on charge is applicable.”

5. The tariff should include the following additional language under *Delinquent Account Collection Charge*: “The Delinquent Account Collection Charge can be assessed only once in any billing period.”

6. Except for the language regarding interest on deposits, turn-on fees, and delinquent-account collection charges, U.S. 60’s requested text revisions should be approved.

IT IS THEREFORE ORDERED that:

1. The charges in the Appendix are approved for services rendered on and after the date of this Order.

2. U.S. 60 shall remove the language from its tariff indicating that a customer whose bill is delinquent will not receive a credit or refund for annual interest on a deposit.

3. The tariff shall include the following additional language under *Turn-on Fee*: “The Meter Turn-on Charge will not be charged for an initial installation of service where a meter connection/tap-on charge is applicable.”

4. The tariff shall include the following additional language under *Delinquent Account Collection Charge*: “The Delinquent Account Collection Charge can be assessed only once in any billing period.”

5. Except for the language regarding annual interest on deposits, turn-on fees, and delinquent account collection charges, U.S. 60's requested text revisions are approved.

6. Within 20 days of the date of this Order, U.S. 60 shall file revised tariff sheets with the Commission, using the Commission's electronic Tariff Filing System, showing the charges and language approved herein.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2014-00039 DATED **SEP 12 2014**

The following rates and charges are prescribed for the customers in the area served by U.S. 60 Water District of Shelby and Franklin Counties. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Nonrecurring Charges

Meter Turn-On Charge	\$ 40.00
Meter Turn-On Charge (after hours)	\$ 50.00
Service Line Inspection Charge	\$ 40.00
Service Line Inspection Charge (after hours)	\$ 50.00
Service Reconnection Charge	\$ 40.00
Service Reconnection Charge (after hours)	\$ 50.00
Delinquent Account Collection Charge	\$ 40.00
Delinquent Account Collection Charge (after hours)	\$ 50.00
Meter Reading Recheck Charge	\$ 40.00
Meter Reading Recheck Charge (after hours)	\$ 50.00
Meter Test Charge	\$ 85.00
Meter Test Charge (after hours)	\$ 92.50
Service Investigation Charge	\$ 40.00
Service Investigation Charge (after hours)	\$ 50.00
Meter Investigation Charge	\$ 40.00
Meter Investigation Charge (after hours)	\$ 50.00
Tap-On Fees 5/8-Inch X 3/4-Inch Meter	\$ 1,000.00
Tap-On Fees 1-Inch Meter	\$ 1,275.00

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