

1 ENERGY AND ENVIRONMENT CABINET

2 Public Service Commission

3 (Amendment)

4 807 KAR 5:011. Tariffs.

5 RELATES TO: KRS 278.010, 278.030, 278.160, 278.170, 278.180,~~278.185,~~
6 278.190

7 STATUTORY AUTHORITY: KRS 278.160(1)

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.160(1) requires the
9 commission to promulgate an administrative regulation to establish requirements for
10 each utility to file schedules showing all rates and conditions established by it and
11 collected or enforced. This administrative regulation establishes requirements for utility
12 tariffs.

13 Section 1. Definitions.

14 (1) "Commission" is defined by KRS 278.010(15).

15 (2) "Date of issue" means the date the tariff sheet is signed by the representative
16 of the utility authorized to issue tariffs.

17 (3) "Electronic signature" is defined by KRS 369.102(8).

18 (4) "Nonrecurring charge" means a charge or fee assessed to a customer to
19 recover the specific cost of an activity, which:

20 (a) Is due to a specific request for a service activity for which, once the activity is
21 completed, additional charges are not incurred; and

1 (b) Is limited to recovery of an amount no greater than the cost of the specific
2 service.

3 (5) "Person" is defined by KRS 278.010(2).

4 (6) "Rate" is defined by KRS 278.010(12).

5 (7) [~~Sewage utility" means a utility that meets the requirements of KRS~~
6 ~~278.010(3)(f).~~

7 ~~(8)] "Signature" means any manual, facsimile, conformed, or electronic~~
8 signatures.

9 ~~(8)~~~~(9)] "Statutory notice" means notice made in accordance with KRS 278.180.~~

10 ~~(9)~~~~(10)] "Tariff" means the schedules of a utility's rates, charges, regulations,~~
11 rules, tolls, terms, and conditions of service over which the commission has jurisdiction.

12 ~~(10)~~~~(11)] "Tariff filing" means the revised or new tariff sheets and all supporting~~
13 documents that a utility submits to revise its rate schedules.

14 ~~(11)~~~~(12)] "Utility" is defined by KRS 278.010(3).~~

15 ~~(12)~~~~(13)] "Utility's office or place of business" means a location at which the~~
16 utility regularly employs and stations one (1) or more employees and is open to the
17 public for customer service.

18 ~~(13)~~~~(14)] "Water district" means a special district formed pursuant to KRS 65.810~~
19 and KRS Chapter 74.

20 ~~(14)~~~~(15)] "Web site" means an identifiable site on the internet, including social~~
21 media, which is accessible by the public.

1 Section 2. General. (1) Each tariff sheet and supporting document filed with the
2 commission shall be electronically submitted to the commission using the commission's
3 electronic Tariff Filing System located at https://psc.ky.gov/psc_portal.

4 (2) Each utility shall maintain a complete tariff with the commission.

5 (3) A utility furnishing more than one (1) type of service (water and electricity for
6 example) shall file a separate tariff for each type of service.

7 (4) A utility shall make available a paper or electronic copy of the utility's current
8 tariff for public inspection in the utility's office or place of business.

9 (5) A utility that maintains a Web site for its utility operations shall:

10 (a) Make available on that Web site for public viewing and downloading a copy of
11 the utility's current tariff for each type of service that it provides; or

12 (b) Place on that Web site a hyperlink to the location on the commission's Web
13 site where the tariff has been posted.

14 Section 3. Format. (1) A new tariff or revised sheet of an existing tariff filed with
15 the commission shall be:

16 (a) Printed or typewritten;

17 (b) Eight and one-half (8 1/2) by eleven (11) inches in size; and

18 (c) In type no smaller than nine (9) point font, except headers and footers, which
19 shall be in type no smaller than eight (8) point font.

20 (2) Tariff Form-1. The first sheet of a tariff shall be on Tariff Form-1, shall be used
21 as the tariff's cover page, and shall contain:

22 (a) The utility's name, mailing address, street address of the utility's principal
23 office if different from the mailing address, and Web site if applicable;

1 (b) In the upper right-hand corner, the commission tariff number and, if
2 applicable, the cancelled commission tariff number (Example: PSC Tariff No. 2,
3 Cancelling PSC Tariff No. 1);

4 (c) A statement of the type of service offered;

5 (d) A statement of the area served;

6 (e) The date of issue and date on which the tariff is to become effective;

7 (f) The signature of the representative of the utility authorized to issue tariffs; and

8 (g) The signatory's title or position.

9 (3) Tariff Form-2. With the exception of the first sheet of the tariff, which shall be
10 on Tariff Form-1, all other tariff sheets shall be on Tariff Form-2 and shall contain:

11 (a) The utility's name and territory served;

12 (b) In the upper right-hand corner, the commission tariff number and, if
13 applicable, the cancelled commission tariff number (Example: PSC Tariff No. 2,
14 Cancelling PSC Tariff No. 1);

15 (c) In the upper right-hand corner, the tariff sheet number and, if applicable, the
16 cancelled tariff sheet number (Example: First Revised Sheet No. 1, Cancelling Original
17 Sheet No. 1);

18 (d) The date of issue and date on which the tariff is to become effective;

19 (e) The signature of the utility representative authorized to issue tariffs;

20 (f) The signatory's title or position; and

21 (g) If applicable, a statement that the tariff is "Issued by authority of an Order of
22 the Public Service Commission in Case No. _____ Dated _____, 20____".

1 (4) Each tariff sheet shall contain a blank space at its bottom right corner that
2 measures at least three and one-half (3.5) inches from the right of the tariff sheet by two
3 and one-half (2.5) inches from the bottom of the tariff sheet to allow space for the
4 commission to affix the commission's stamp.

5 Section 4. Contents of Schedules. (1) In addition to a clear statement of all rates,
6 each rate schedule shall state the city, town, village, or district in which rates are
7 applicable.

8 (a) If a schedule is applicable in a large number of communities, the schedule
9 shall be accompanied by an accurate index so that each community in which the rates
10 are applicable may be readily ascertained.

11 (b) If a utility indicates the applicability of a schedule by reference to the index
12 sheet, the utility shall use language indicating "Applicable within the corporate limits of
13 the City of _____," or "see Tariff Sheet No. ____ for applicability."

14 (2) The following information shall be shown in each rate schedule, if applicable,
15 under the following captions in the order listed:

16 (a) Applicable: show the territory covered;

17 (b) Availability of service: show the classification of customers affected;

18 (c) Rates: list all rates offered;

19 (d) Minimum charge: state the amount of the minimum charge, the quantity
20 allowed (if volumetrically based), and if it is subject to a late payment charge;

21 (e) Late payment charge: state the amount or reference the tariff section
22 containing the amount;

1 (f) Term: if a tariff provision or a contract will be effective for a limited period,
2 state the term; and

3 (g) Special rules: list special rules or requirements that are in effect covering this
4 tariff.

5 (3) Each rate schedule shall state the type or classification of service available
6 pursuant to the stated rates, by using language similar to "available for residential
7 lighting" or "available for all purposes."

8 (4) For a tariff in which a number of rate schedules are shown available for
9 various uses, each rate schedule shall be identified either by:

10 (a) A number in the format "Schedule No. ____"; or

11 (b) A group of letters, with a designation indicating the type or classification of
12 service for which the rate schedule is available. (Example: Tariff R.S. for residential
13 service rates.)

14 (5) A tariff may be further divided into sections.

15 Section 5. Filing Requirements. (1) Each tariff filing shall include a cover letter
16 and conform to the requirements established in this subsection.

17 (a) With the exception of supporting documents, which may be submitted in an
18 Excel spreadsheet in.xls format, each document shall be submitted in portable
19 document format ("PDF") capable of being viewed with Adobe Acrobat Reader.

20 (b) Each document shall be search-capable and optimized for viewing over the
21 internet.

22 (c) Each scanned document shall be scanned at a resolution of 300 dots per inch
23 (dpi).

1 (d) A document may be bookmarked to distinguish different sections of the filing.

2 (2) A document shall be considered filed with the commission if it has:

3 (a) Been successfully transmitted using the commission's electronic tariff filing
4 system; and

5 (b) Met all other requirements established in this administrative regulation.

6 Section 6. Tariff Addition, Revision, or Withdrawal. (1) A tariff, tariff sheet, or tariff
7 provision shall not be changed, cancelled, or withdrawn except as established by this
8 section and Section 9 of this administrative regulation.

9 (2) A new tariff or revised sheet of an existing tariff shall be issued and placed
10 into effect by:

11 (a) Order of the commission; or

12 (b) Issuing and filing with the commission a new tariff or revised sheet of an
13 existing tariff and providing notice to the public in accordance with Section 8 of this
14 administrative regulation and statutory notice to the commission.

15 (3) The following symbols shall be placed in the margin to indicate a change:

16 (a) "(D)" to signify deletion;

17 (b) "(I)" to signify increase;

18 (c) "(N)" to signify a new rate or requirement;

19 (d) "(R)" to signify reduction; or

20 (e) "(T)" to signify a change in text.

21 Section 7. Tariff Filings Pursuant to Orders. If the commission has ordered a
22 change in the rates or rules of a utility, the utility shall file a new tariff or revised sheet of
23 an existing tariff establishing:

- 1 (1) The revised rate, classification, charge, or rule;
- 2 (2) The applicable case number;
- 3 (3) The date of the commission order; and
- 4 (4) The margin symbols required by Section 6(3) of this administrative regulation.

5 Section 8. Notice. A utility shall provide notice if a charge, fee, condition of
6 service, or rule regarding the provision of service is changed, revised, or initiated and
7 the change will affect the amount that a customer pays for service or the quality,
8 delivery, or rendering of a customer's service.

9 (1) Public postings.

10 (a) A utility shall post at its place of business a copy of the notice no later than
11 the date the tariff filing is submitted to the commission.

12 (b) A utility that maintains a Web site shall, within five (5) business days of the
13 date the tariff filing is submitted to the commission, post on its Web sites:

- 14 1. A copy of the public notice; and
- 15 2. A hyperlink to the location on the commission's Web site where the tariff filing
16 is available.

17 (c) The information required in subsection (1)(a) and (b) of this section shall not
18 be removed until the tariff filing has become effective or the commission issues a final
19 decision on the tariff filing.

20 (2) Customer Notice.

21 (a) If a utility has twenty (20) or fewer customers~~[or is a sewage utility]~~, it shall
22 mail a written notice to each customer no later than the date the tariff filing is submitted
23 to the commission.

1 (b) If a utility has more than twenty (20) customers~~[and is not a sewage utility]~~, it
2 shall provide notice by:

3 1. Including notice with customer bills mailed no later than the date the tariff filing
4 is submitted to the commission;

5 2. Mailing a written notice to each customer no later than the date the tariff filing
6 is submitted to the commission;

7 3. Publishing notice once a week for three (3) consecutive weeks in a prominent
8 manner in a newspaper of general circulation in the utility's service area, the first
9 publication to be made no later than the date the tariff filing is submitted to the
10 commission; or

11 4. Publishing notice in a trade publication or newsletter delivered to all customers
12 no later than the date the tariff filing is submitted to the commission.

13 (c) A utility that provides service in more than one (1) county~~[and is not a sewage~~
14 ~~utility]~~ may use a combination of the notice methods established in paragraph (b) of this
15 subsection.

16 (3) Proof of Notice. A utility shall file with the commission no later than forty-five
17 (45) days from the date the tariff filing was initially submitted to the commission:

18 (a) If notice is mailed to its customers, an affidavit from an authorized
19 representative of the utility verifying the contents of the notice, that notice was mailed to
20 all customers, and the date of the mailing;

21 (b) If notice is published in a newspaper of general circulation in a utility's service
22 area, an affidavit from the publisher verifying the contents of the notice, that the notice
23 was published, and the dates of the notice's publication; or

1 (c) If notice is published in a trade publication or newsletter delivered to all
2 customers, an affidavit from an authorized representative of the utility verifying the
3 contents of the notice, the mailing of the trade publication or newsletter, that notice was
4 included in the publication or newsletter, and the date of mailing.

5 (4) Notice Content. Each notice issued in accordance with this section shall
6 contain:

7 (a) The proposed effective date and the date the proposed rates are expected to
8 be filed with the commission;

9 (b) The present rates and proposed rates for each customer classification to
10 which the proposed rates will apply;

11 (c) The amount of the change requested in both dollar amounts and percentage
12 change for each customer classification to which the proposed rates will apply;

13 (d) The amount of the average usage and the effect upon the average bill for
14 each customer classification to which the proposed rates will apply;

15 (e) A statement that a person may examine this tariff filing at the offices of (utility
16 name) located at (utility address);

17 (f) A statement that a person may examine this tariff filing at the commission's
18 offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday,
19 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <http://psc.ky.gov>;

20 (g) A statement that comments regarding this tariff filing may be submitted to the
21 Public Service Commission through its Web site or by mail to Public Service
22 Commission, Post Office Box 615, Frankfort, Kentucky 40602;

1 (h) A statement that the rates contained in this notice are the rates proposed by
2 (utility name) but that the Public Service Commission may order rates to be charged
3 that differ from the proposed rates contained in this notice;

4 (i) A statement that a person may submit a timely written request for intervention
5 to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602,
6 establishing the grounds for the request including the status and interest of the party;
7 and

8 (j) A statement that if the commission does not receive a written request for
9 intervention within thirty (30) days of the initial publication or mailing of the notice, the
10 commission may take final action on the tariff filing.

11 (5) Compliance by electric utilities with rate schedule information required by 807
12 KAR 5:051. Notice given pursuant to subsection (2)(a) or (b) of this section shall
13 substitute for the notice required by 807 KAR 5:051, Section 2, if the notice contained a
14 clear and concise explanation of the proposed change in the rate schedule applicable to
15 each customer.

16 (6) Periodic recalculation of a formulaic rate that does not involve a revision of
17 the rate and that is performed in accordance with provisions of an effective rate
18 schedule, special contract, or administrative regulation does not require notice in
19 accordance with this section.

20 Section 9. Statutory Notice to the Commission. (1) The proposed rates on a new
21 tariff or revised sheet of an existing tariff shall become effective on the date stated on
22 the tariff sheet if:

1 (a) Proper notice was provided to the public in accordance with Section 8 of this
2 administrative regulation;

3 (b) Statutory notice was provided; and

4 (c) The commission does not suspend the proposed rates pursuant to KRS
5 278.190.

6 (2) All information and notices required by this administrative regulation shall be
7 furnished to the commission at the time of the filing of the proposed rate. If a substantial
8 omission occurs, which is prejudicial to full consideration by the commission or to the
9 public, the statutory notice period to the commission shall not commence until the
10 omitted information and notice is filed.

11 Section 10. Nonrecurring Charges. A utility may revise a nonrecurring charge
12 pursuant to this section and Sections 6 and 9 of this administrative regulation.

13 (1) Each request to revise a current nonrecurring charge or to implement a new
14 nonrecurring charge shall be accompanied by:

15 (a) A specific cost justification for the proposed nonrecurring charge, including all
16 supporting documentation necessary to determine the reasonableness of the proposed
17 non-recurring charge;

18 (b) A copy of the public notice of each requested nonrecurring charge and
19 verification that it has been made pursuant to Section 8 of this administrative regulation;

20 (c) A detailed statement explaining why the proposed revisions were not included
21 in the utility's most recent general rate case and why current conditions prevent
22 deferring the proposed revisions until the next general rate case;

1 (d) A statement identifying each classification of potential or existing customers
2 affected by the rate revision; and

3 (e) A copy of the utility's income statement and balance sheet for a recent twelve
4 (12) month period or an affidavit from an authorized representative of the utility attesting
5 that the utility's income statement and balance sheet are on file with the commission[;
6 and

7 ~~(f) If the applicant is a water district and proposes to increase any of its
8 nonrecurring charges or implement a new nonrecurring charge, a statement from an
9 authorized official of the district indicating the date the proposed rate adjustment was
10 reported to the governing body of the county in which the largest number of its
11 customers reside and the date it presented testimony, or is scheduled to present
12 testimony, to that governing body].~~

13 (2) The proposed rate shall relate directly to the service performed or action
14 taken and shall yield only enough revenue to pay the expenses incurred in rendering
15 the service.

16 (3)(a) If the revenue to be generated from the proposed rate revision exceeds by
17 five (5) percent the total revenues provided by all nonrecurring charges for a recent
18 period of twelve (12) consecutive calendar months ending within ninety (90) days of
19 submitting the tariff filing, the utility shall, in addition to the information established in
20 subsection (1) of this section, file an absorption test.

21 (b) The absorption test shall show that the additional net income generated by
22 the tariff filing shall not result in an increase in the rate of return (or other applicable

1 valuation method) to a level greater than that allowed in the most recent general rate
2 case.

3 (c) As part of the absorption test, a general rate increase received during the
4 twelve (12) month period shall be annualized.

5 (4) Upon a utility submitting the tariff filing to the commission, the utility shall
6 transmit by electronic mail a copy in PDF to rateintervention@ag.ky.gov or mail a paper
7 copy to the Attorney General's Office of Rate Intervention, 1024 Capital Center Drive,
8 Suite 200, Frankfort, Kentucky 40601-8204.

9 Section 11. Adoption Notice. (1) A utility shall file an adoption notice on Tariff
10 Form-3 if:

11 (a) A change of ownership or control of a utility occurs;

12 (b) A utility or a part of its business is transferred from the operating control of
13 one (1) company to that of another;

14 (c) A utility's name is changed; or

15 (d) A receiver or trustee assumes possession and operation of a utility.

16 (2) Unless otherwise authorized by the commission, the person operating the
17 utility business going forward shall adopt, ratify, and make as its own the predecessor's
18 rates, classifications, and requirements on file with the commission and effective at the
19 time of the change of ownership or control.

20 (3) An adoption notice may be filed and made effective without previous notice.

21 (4) An adoption notice filed with the commission shall be in consecutive
22 numerical order, beginning with Public Service Commission adoption notice No. 1.

1 (5) Within ten (10) days after the filing of an adoption notice by a utility that had
2 no tariff on file with the commission, the utility shall issue and file in its own name the
3 tariff of the predecessor utility then in effect and adopted by it, or a tariff it proposes to
4 place into effect in lieu thereof, in the form established in Sections 2 through 4 of this
5 administrative regulation with proper identifying designation.

6 (6) Within ten (10) days after the filing of an adoption notice by a utility that had
7 other tariffs on file with the commission, the utility shall issue and file one (1) of the
8 following:

9 (a) A complete reissue of its existing tariff that establishes the rates and
10 requirements:

- 11 1. Of the predecessor utility then in effect and adopted by the successor utility; or
- 12 2. The utility proposes to place into effect for the customers served by the
13 predecessor utility; or

14 (b) New or revised tariff sheets that establish the rates and requirements:

- 15 1. Of the predecessor utility then in effect and adopted by the successor utility; or
- 16 2. The utility proposes to place into effect for the customers served by the
17 predecessor utility.

18 (7)(a) If a new tariff or a revised sheet of an existing tariff states the rates and
19 requirements of the predecessor utility without change, the successor utility shall not be
20 required to provide notice of the filing.

21 (b) If a new tariff or a revised sheet of an existing tariff changes or amends the
22 rates or requirements of the predecessor utility, the successor utility shall provide notice
23 pursuant to KRS 278.180 and Section 8 of this administrative regulation.

1 Section 12. Posting Tariffs, Administrative Regulations, and Statutes. (1) Each
2 utility shall display a suitable placard, in large type, that states that the utility's tariff and
3 the applicable administrative regulations and statutes are available for public inspection.

4 (2) Each utility shall provide a suitable table or desk in its office or place of
5 business on which it shall make available for public viewing:

6 (a) A copy of all effective tariffs and supplements establishing its rates,
7 classifications, charges, rules, and requirements, together with forms of contracts and
8 applications applicable to the territory served from that office or place of business;

9 (b) A copy of all proposed tariff revisions that the utility has filed and are pending
10 before the commission and all documents filed in a commission proceeding initiated to
11 review the proposed tariff revisions;

12 (c) A copy of KRS Chapter 278; and

13 (d) A copy of 807 KAR Chapter 5.

14 (3) The information required in subsection (2) of this section shall be made
15 available in an electronic or nonelectronic format.

16 Section 13. Special Contracts. Each utility shall file a copy of each special
17 contract that establishes rates, charges, or conditions of service not contained in its
18 tariff.

19 Section 14. Confidential Materials. A utility may request confidential treatment for
20 materials filed pursuant to this administrative regulation. Requests for confidential
21 treatment shall be made and reviewed in accordance with 807 KAR 5:001, Section
22 13(3).

1 Section 15. Deviations from Rules. In special cases, for good cause shown, the
2 commission shall permit deviations from this administrative regulation.

3 Section 16. Incorporation by Reference. (1) The following material is incorporated
4 by reference:

5 (a) "Tariff Form-1", July 2013;

6 (b) "Tariff Form-2", July 2013; and

7 (c) "Tariff Form-3", Adoption Notice, July 2013.

8 (2) This material may be inspected, copied, or obtained, subject to applicable
9 copyright law, at the commission's offices located at 211 Sower Boulevard, Frankfort,
10 Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the
11 commission's Web site at <http://psc.ky.gov>.

David L. Armstrong, Chairman
Public Service Commission

Date:_____

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on Tuesday, July 22, 2014, at 9:00 am, Eastern Daylight Time, at the Public Service Commission's office, 211 Sower Boulevard, Frankfort, Kentucky. Individuals interested in attending this hearing shall notify this agency in writing by Tuesday, July 15, 2014, five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until Thursday, July 31, 2014. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

Stephanie Bell
Deputy Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602
Tel: (502) 564-3940
Fax: (502) 564-3460
Stephanie.Bell@ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation Number: 807 KAR 5:011

Contact Person: Stephanie Bell
Deputy Executive Director

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation provides the rules and guidelines for a utility to file its tariff or to file revisions to its existing tariff.

(b) The necessity of this administrative regulation: This regulation is necessary to provide utilities with the rules and guidelines they must follow when filing their tariffs or revisions to their existing tariffs with the Commission.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 278.160 provides that the commission shall prescribe rules under which a utility shall file schedules showing all rates and conditions of service it has established and that it collects or enforces.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: It provides utilities with the rules and guidelines they must follow when submitting required documents to the Public Service Commission.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment eliminates the requirement that sewage utilities mail customer notices. The sewage utility may now provide customer notice in the same manner as other utilities. The amendment also eliminates the requirement for water districts requesting fee increases to present testimony or be scheduled to present testimony to its governing body.

(b) The necessity of the amendment to this administrative regulation: The amendment is necessary to comply with SB 123 and HB 192 which became law during the 2014 legislative session.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 278.160 requires all utilities to file their rate schedules with the Public Service Commission and to charge only rates that are filed with the Public Service Commission. The proposed amendment revises how a sewage utility must publish notice and the actions a water district must take when seeking a fee increase.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will benefit both utilities and the Public Service Commission by eliminating the requirement that sewage utilities mail customer notices and eliminating the requirement that water districts seeking a fee increase present or schedule to present testimony to its governing body.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The proposed amendment will affect all jurisdictional utilities that are required to file tariffs with the Public Service Commission.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This amendment will not require additional actions by the utilities.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no costs to comply.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Sewage utilities are no longer required to mail customer notices. Sewage utilities may publish notice in the same manner as other utilities. Water districts seeking fee increases are no longer required to present or schedule to present testimony to its governing body.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: Implementation of the proposed amendment will not involve additional costs.

(b) On a continuing basis: No additional costs are expected

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No additional funding is required.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding is necessary or will be required.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increases any fees: No.

(9) TIERING: Is tiering applied? No. Tiering is not applicable.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 807 KAR 5:011

Contact Person: Stephanie Bell

Phone number: (502) 564-3940

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? Public Service Commission; Office of Attorney General (Utility Rate and Intervention Division); water districts; sewer districts; municipalities.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 278.160(1) provides that the commission shall prescribe rules under which each utility shall file schedules showing all rates and conditions established by it and collected or enforced.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? No direct increase in revenue will result from the adoption of the proposed amendment for any governmental agency. The proposed amendment does not provide for the Public Service Commission to assess any fee or charge.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? No direct increase in revenue will result from the adoption of the proposed amendment for any governmental agency. The proposed amendment does not provide for the Public Service Commission to assess any fee or charge.

(c) How much will it cost to administer this program for the first year? No increase in the Public Service Commission's cost of reviewing new tariffs or revisions to existing tariffs is expected to result from the adoption of the proposed amendment. The Public Service Commission will be performing the same level of review and require the same number of employees to conduct its review.

(d) How much will it cost to administer this program for subsequent years? No increase in the Public Service Commission's cost of reviewing new tariffs or revisions to existing tariffs is expected to result from the adoption of the proposed amendment. The Public Service Commission will be performing the same level of review and require the same number of employees to conduct its review.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: