

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF U.S. 60 WATER)
DISTRICT OF SHELBY AND FRANKLIN)
COUNTIES, KENTUCKY FOR APPROVAL OF) CASE NO. 10384
A RATE ADJUSTMENT FOR NON-RECURRING)
CHARGES)

O R D E R

On September 16, 1988, U.S. 60 Water District of Shelby and Franklin Counties, Kentucky ("U.S. 60"), filed an application with the Commission requesting to increase its tap-on fee for 1-inch meters and to establish charges for meter turn-on, reconnection after nonpayment of bill, returned check, collection of delinquent account, meter reading recheck charge, requested meter test charge, service investigation charge, meter investigation charge, inspection of new service line, and tap-on fee for meters greater than 1 inch. This application was filed under 807 KAR 5:011, Section 10, which addresses the requirements for increasing existing non-recurring charges.

The tap-on fee for 1-inch meters is an increase in an existing rate previously approved by this Commission and should be considered under the above regulation. Moreover, pursuant to 807 KAR 5:066, Section 14(3)(b), a water district, organized under KRS Chapter 74, may apply to the Commission for a tapping fee for installing service to its customers. Therefore, the tap-on fee

for meters greater than 1 inch should also be considered in the case.

Insofar as U.S. 60 has provided cost support and other relevant information required to increase the 1-inch meter tap-on fee and to establish tap-on fees for meters greater than 1 inch, the Commission is of the opinion that these proposed charges should be approved.

The cost of providing the services covered by the remaining charges were included in the overall operating expense levels developed in U.S. 60's previous general rate case, Case No. 9149¹ and have, therefore, been included in both its total revenue requirement and the service rates established in that proceeding. Since the individual costs of providing these services were not established in the general rate case, there is no basis for adjusting these charges outside of a review of the total operating expenses of the utility. An increase in these charges would generate revenue in excess of that found reasonable in U.S. 60's last general rate case. Therefore, these charges should be denied. However, U.S. 60 should be advised that these charges may be established in its next general rate case.

¹ In the Matter of the Application of U.S. 60 Water District of Shelby and Franklin Counties Kentucky, for (1) a certificate of public convenience and necessity; (2) approval of the proposed plan of financing; and (3) approval of the increased water rates proposed.

IT IS THEREFORE ORDERED that:

1. U.S. 60's proposed non-recurring charge for 1-inch meters and the proposed charges for tap-on fees for meters greater than 1 inch be and they hereby are approved to be effective on and after the date of this Order.

2. The other non-recurring charges proposed by U.S. 60 be and they hereby are denied.

3. U.S. 60 shall file within 30 days of the date of this Order its revised tariff, setting forth the rates in Appendix A attached hereto.

Done at Frankfort, Kentucky, this 20th day of December, 1988.

PUBLIC SERVICE COMMISSION

Chairman

Robert M. Lewis

Vice Chairman

Edward J. Wilkerson

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10384 DATED 12/20/88

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, Kentucky. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Tap-On Fees

1-inch meters

\$500

All others

Actual cost