

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF ADAIR )  
COUNTY WATER DISTRICT ) CASE NO. 89-043

O R D E R

On February 27, 1989, Adair County Water District ("Adair") filed revised tariff sheets with the Public Service Commission ("Commission") for the purpose of increasing its tap fee for 5/8 inch and 3/4 inch meters and establishing a water curtailment plan. Adair also requested a deviation from the filing requirements of 807 KAR 5:011, Section 10(1)(b) through (e) and Section 10(2).

By letter dated April 5, 1989, the Commission requested that Adair provide justification for its proposed water curtailment plan. On April 26, 1989, Adair submitted a copy of the Water Shortage Response Ordinance enacted by the city of Columbia, Adair's wholesale water supplier, and advised the Commission that should Columbia implement its water curtailment plan that Adair "would then carry out the same policy that the city had deemed necessary to the customers of the Adair Co. Water District."

The Commission, having reviewed the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. The cost data provided by Adair shows that the proposed tap fee is adequate to recover the costs incurred by the utility

in making a new connection, but does not produce excess revenue. The proposed tap fee is fair, just, and reasonable and should be approved.

2. Current customers will not be affected by the increased tap fee since it will be applicable only to customers requesting new connections. Further, the Commission agrees with Adair that the tap fee is revenue neutral since it recovers only the actual costs incurred in making the connection. Adair's request for deviation should, therefore, be granted.

3. Neither proposed water curtailment plan is acceptable. Adair's first proposal is vague and fails to provide any standards or rules to govern the curtailment or discontinuance of service in the event of a water shortage. The lack of any control on Adair's discretion in this area would likely lead to arbitrary results. The second proposal, which is based on the city of Columbia Water Shortage Response Ordinance, contains provisions which exceed Adair's legal powers. For example, the second proposal makes any violation of the plan a Class B misdemeanor subject to fine and imprisonment. Adair lacks the authority to create a class of criminal offense. Furthermore, the proposal's provisions concerning the monitoring of excessive water use appear impossible to administer or enforce.

4. KRS 278.160 requires that utilities must file schedules showing all rates and conditions of service and prohibits the charging of any compensation greater or lesser than that prescribed in such schedules. Although Adair is not required to

file a water curtailment plan, unless it has an approved plan on file with the Commission, it would be without authority to implement water curtailment should a water shortage occur. It will be in the best interests of Adair and its customers for Adair to revise and file with the Commission a feasible water curtailment plan within the authority of the district, and the Commission encourages it to do so.

IT IS THEREFORE ORDERED that:

1. The deviation from 807 KAR 5:011, Section 10(1)(b) through (e) and Section 10(2) requested by Adair is granted.

2. The proposed tap fee of \$400 for 5/8 inch and 3/4 inch meters is approved for services rendered on and after the date of this Order.

3. The proposed water curtailment plans submitted by Adair are rejected.

4. Within 30 days of the date of this Order, Adair shall file its revised tariff with the Commission setting out the tap fee approved herein.

Done at Frankfort, Kentucky, this 7th day of July, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director