

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE EDMONSON)	
COUNTY WATER DISTRICT FOR THE)	
APPROVAL OF THE USE BY SAID WATER)	
DISTRICT OF A CONTRACT FOR THE)	
CONSTRUCTION AND USE OF WATER)	CASE NO. 89-008
TRANSMISSION LINES BY PRIVATE)	
DEVELOPERS AND PROVIDING FOR THE)	
REIMBURSEMENT OF SAID DEVELOPERS)	
FOR THE COST OF CONSTRUCTION)	

O R D E R

On January 10, 1989, Edmonson County Water District ("Edmonson") filed an application with the Public Service Commission ("Commission") seeking approval of a standard contract to be used by Edmonson where water transmission lines are to be constructed to serve subdivision developments. On March 7, 1989, the Commission requested that additional information be filed. On March 28, 1989, Edmonson responded to the Commission's data request in the form of an amended application and "motion for leave to file compliance."

An informal conference was held on May 30, 1989, and on November 16, 1989, Edmonson filed a second amended application. Subsequently, on January 24, 1990 after review and written communication from Commission Staff, Edmonson filed a third amended application.

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

1. The third amended application proposes two contracts, one for use with individual applicants or groups of applicants requesting an extension in order to obtain water service ("Contract No. 1") and one for use with developers requesting extensions to serve proposed real estate subdivisions ("Contract No. 2").

2. The contracts are acceptable subject to the following exceptions:

Contract No. 1

Item 3 of the contract requires the customer(s) to contribute the cost of the extension. Item 4 states that the customer shall construct the water transmission lines at the customer's sole cost. These requirements are in conflict, appearing to impose double payment on the applicant. Where extensions are to be made to serve an individual applicant or group of applicants, Edmonson may require the cost of construction in excess of the cost of 50 feet per customer to be contributed equally by such applicants. However, Edmonson is responsible for the actual construction of extensions to serve individuals or groups of individuals applying for service pursuant to 807 KAR 5:066, Section 12(2). Therefore, the contract should be amended to delete the customer construction requirements in item 4.

Item 5 requires the customer to provide all required easements, licenses, or permits for rights-of-way. This is in conflict with established Commission policy set forth in Case No.

6507,¹ attached hereto and made a part hereof. The contract should be amended to delete this requirement.

Contract No. 2

Item 3 requires the developer to construct the water transmission line or cause the line to be constructed. Such construction should be done in the most reasonable and economical manner for Edmonson and the developer. The contract should be modified to allow either construction by Edmonson with the developer advancing the cost of construction or construction by the developer at his cost whichever is determined to be the most reasonable and economical. In either instance, the contract should be amended to provide for refunds to the developer in accordance with 807 KAR 5:066, Section 12(3).

Item 4 provides that the developer and Edmonson together shall obtain all necessary easements. This provision is acceptable so long as it does not conflict with Case No. 6507.

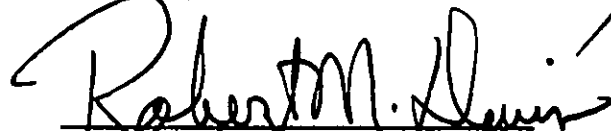
IT IS THEREFORE ORDERED that the proposed contracts filed by Edmonson are hereby rejected without prejudice to refile in accordance with the directives of this Order.

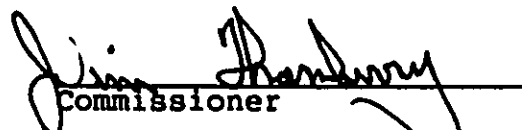
¹ Case No. 6507, The Complaint of Mr. Joseph H. Wells Against Inter-County Rural Electric Cooperative Corporation, Order entered July 22, 1976.

Done at Frankfort, Kentucky, this 19th day of March, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

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In the Matter of

THE COMPLAINT OF MR. JOSEPH H.)
WELLS AGAINST INTER-COUNTY) CASE NO. 8507
RURAL ELECTRIC COOPERATIVE)
CORPORATION)

ORDER

On January 2, 1976, the Commission received a letter from Mr. Joseph H. Wells, P.O. Box 87, New Haven, Kentucky, wherein he requested assistance in obtaining electric service for his farm located in the vicinity of New Haven. When he had made application to Inter-County Rural Electric Cooperative Corporation (Inter-County) within whose service area the farm is located he had been advised that another subscriber of Inter-County, Mr. Lewis L. Dunn, would not allow the distribution line to be extended across his property to serve Mr. Wells.

On January 13, 1976, the Commission received a letter from Mr. A. B. Schlatter, 7329 St. Andrews Church Road, Louisville, Kentucky, who stated that he owned property adjacent to that owned by Mr. Wells, and also desired electric service.

Additional letters were received from Mr. James R. Schurr, 9329 St. Moritz Drive, Louisville, Kentucky, on March 7, 1976 who owns property adjacent to Mr. Wells, and from the Reverend Clifton S. Wells, father of Joseph Wells, who resides on the Wells property in a mobile home. Both parties also requested electric service.

Correspondence between the Commission, the parties of interest and the utility failed to resolve the situation. Inter-County contended that it was the policy of the utility not to provide service to any member unless proper right of way is obtained with a properly signed right of way easement, and further that it was also a policy that Inter-County not pay for any right of way to serve a member.

By letter dated January 29, 1976, the Commission advised Inter-County as follows:

"... it is the position of the Commission that an electric utility is required to extend facilities 1,000 feet without charge

pursuant to the Rules of the Commission. This would include the securing of right of way, by payment or condemnation, up to 1,000 feet. The potential customer, pursuant to the Rules, is obligated to pay all costs associated with service in excess of 1,000 feet, subject to the refund provisions of the Rules."

By letter received February 12, 1976, Inter-County reaffirmed its position and mentioned the financial implications of providing service:

The Commission, having considered the matter, and having been advised, on its own motion, ordered that the matter be set for hearing on April 19, 1976, at 1:00 p.m., Eastern Standard Time, in the Commission's offices at Frankfort, Kentucky.

The hearing was held as scheduled and all interested parties were given the opportunity to be heard.

After consideration of all evidence of record and being advised the Commission is of the opinion and finds:

1. That any policy of Inter-County notwithstanding it is the obligation of the utility to provide service to applicants within its certified service area, consistent with the requirements of the Regulations of the Commission.

2. That it is the obligation of Inter-County to provide service by the most direct and economical means to the applicant.

3. That Inter-County has available to it the means by which any necessary right of way may be secured. These means include the right of eminent domain, and, in this particular case, the fact that the provision of service to a member is conditioned upon his agreeing that extension may be made across his property to serve other applicants. Since Mr. Dunn, or the title holder of record of the Dunn property, is a member of Inter-County and receives service from Inter-County, there is at least implicit concurrence and agreement with this requirement, even though the original application for service, upon which such provision is stated, cannot be found.

4. That the right to electric service, of qualified applicants, is not a commodity to be bought and sold, and that no customer of a

utility under the conditions heretofore referred to has the right to withhold service from another applicant.

5. That any costs associated with any condemnation proceeding, should such prove to be necessary, should be considered as a general operating expense to be borne by the utility, and should not be considered as part of the cost of providing service in computing any deposit required of any particular applicant.

IT IS THEREFORE ORDERED That Inter-County proceed without delay to make available to Mr. Joseph H. Wells, and to any and all applicants in the area hereinbefore referred to who desire service, by the most direct and economical manner to the applicants consistent with sound engineering considerations, allowing to each applicant the cost of 1,000 feet of line extension or as otherwise provided for in the Regulations of the Commission.

Done at Frankfort, Kentucky, this 22nd day of July, 1976.

By the Commission

ATTEST:

Secretary