

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF LAUREL COUNTY)	
WATER DISTRICT #2 FOR A DEVIATION)	CASE NO.
FROM 807 KAR 5:066, SECTION 12(2))	90-031

O R D E R

On January 19, 1990, the Laurel County Water District #2 ("Laurel #2") submitted a water line extension policy for Commission approval. This Order denies the approval requested on the basis that Laurel #2's proposed policy is inconsistent with Commission regulations and otherwise lacks sufficient detail to permit effective review.

Paragraph 3 of the proposed policy provides that a developer or potential customer will pay the total cost of a water line extension. This is directly inconsistent with 807 KAR 5:066, Section 12(1), which requires a utility to make an extension of 50 feet of line without charge to a prospective customer who shall contract for service for at least one year.

Paragraph 4 of Laurel #2's proposed policy provides that costs paid by developers or potential customers for extensions are not refundable. This provision is inconsistent with 807 KAR 5:066, Section 12(2)(a) and (b), which requires a utility to reimburse customers who have contributed to the cost of an extension as additional customers connect to the extension.

Paragraph 5 of Laurel #2's proposal reserves to the Board of Commissioners the right to deviate from the policy "under unusual circumstances." A utility may not arbitrarily deviate from its tariffed rules and regulations under certain (unexplained) circumstances without first obtaining Commission approval. Accordingly, this provision is unacceptable.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that Laurel #2's proposed extension policy is inconsistent with Commission regulations and should not be approved.

IT IS THEREFORE ORDERED that Laurel #2's tariff filing of January 19, 1990 is hereby rejected without prejudice to the right of Laurel #2 to refile an amended extension policy consistent with Commission rules and regulations.

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

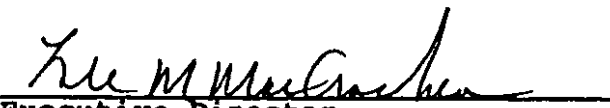
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director