

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WOOD CREEK WATER)	
DISTRICT FOR A DEVIATION FROM 807)	CASE NO.
KAR 5:066, SECTION 12(2), REGARDING)	90-209
A WATER LINE EXTENSION)	

O R D E R

On June 18, 1990, Wood Creek Water District ("Wood Creek") filed an application for approval to construct a water line extension to seven prospective customers under arrangements which differ from the extension of service provisions of Commission Regulation 807 KAR 5:066, Section 12(2). This Order grants the approval requested.

Pursuant to 807 KAR 5:066, Section 12(2), a water utility must extend its distribution main by as much as 50 feet without charge to serve a prospective customer. When an extension of a utility's main to serve a customer or a group of customers exceeds 50 feet per prospective customer, the utility may require the total cost of the excess footage to be deposited with it by the customer. The utility must, over a period of not less than 10 years, refund these customers the cost of 50 feet of the extension in place for each additional customer whose service line is directly connected to the extension installed. This duty to refund continues until the refund period ends or until the deposit fund is depleted.

Wood Creek's proposed extension arrangement differs from the above-cited regulation in two respects. The arrangement requires Wood Creek to assume the cost of 100, rather than 50, feet of the extension for each customer. The prospective customers assume the cost of the excess footage over the 100 feet per customer; however, none of this cost would be refundable. In support of this arrangement, Wood Creek states that the extension is on a dead-end road with limited opportunity for future development.

With its application, Wood Creek filed statements signed by each of the seven prospective customers in which the customers acknowledge that they fully understand their rights under 807 KAR 5:066, Section 12(2), but choose to waive them by agreeing to accept the district providing 100 feet per customer free of charge with no future reimbursement.

807 KAR 5:066, Section 12(4), specifically permits a utility to make extensions under different arrangements, provided such arrangements have been approved by the Commission. Inasmuch as the prospective customers herein are aware of their rights under Commission regulations and have fully agreed to the extension of water service to them under different arrangements, the Commission finds that the proposed extension should be approved.

IT IS THEREFORE ORDERED that:


1. The proposed extension arrangement submitted by Wood Creek is hereby approved.


2. Approval of the proposed extension arrangement in this instance shall not be construed as approval of it in general. Unless otherwise ordered by the Commission, Wood Creek shall submit each arrangement for water line extensions whose terms differ from the provisions of 807 KAR 5:066, Section 12(1)(2), to the Commission for its approval.

Done at Frankfort, Kentucky, this 2nd day of August, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director