

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of :

THE APPLICATION OF REIDLAND WATER)	
AND SEWER DISTRICT FOR AN INCREASE)	
OF EXISTING NON-RECURRING CHARGES)	CASE NO. 97-076
AND ADD RULES RELATING TO ITS LEAK)	
ADJUSTMENT POLICY AND BILLING CYCLE)	

O R D E R

On February 14, 1997, Reidland Water and Sewer District ("Reidland") applied to the Public Service Commission ("Commission") for authority to increase the following non-recurring charges:

<u>NON-RECURRING CHARGE</u>	<u>CURRENT</u>	<u>PROPOSED</u>
Connection charge for 5/8" x 3/4" meter	\$400.00	\$435.00
Connection charge for 1" meter	N/A	\$530.00
Connection charge for all other meters	N/A	actual cost
Reestablish discontinued service	\$ 10.00	\$ 20.00
Reestablish discontinued service (after hours)	N/A	\$ 35.00
Reconnection	\$ 10.00	\$ 20.00
Reconnection (after hours)	N/A	\$ 35.00
Returned Check charge	N/A	\$ 15.00
Meter Test Request	N/A	\$ 25.00
Meter Reading Request	N/A	\$ 15.00

By letter dated March 11, 1997, Reidland was notified of deficiencies in its original filing. On March 27, 1997, Reidland filed additional information which corrected the filing deficiencies.

The proposed increases in non-recurring charges are intended simply to allow Reidland to recover its actual cost. Reidland miscalculated the average service pipe expense for its proposed 5/8- and 1-inch meter connection charges, Section C of the Average Metered Service Connection Expense form. The average service pipe expense for a 5/8-inch meter using Reidland's cost information for short-side service and long-side service should be \$8.10, resulting in a total cost for 5/8-inch meter connection of \$427.16. The average service pipe expense for a one-inch meter using Reidland's cost information for short-side service and long-side service results in a total connection cost of \$521.04. Reidland provided adequate cost justification for the proposed non-recurring charges to reestablish discontinued service during normal hours, reestablish discontinued service after hours, reconnection during normal hours, reconnection after hours, returned check charge, meter test at customer's request and meter reading at customer's request. The increases will allow Reidland to recover its cost when providing these services.

Reidland also requested in its application to revise tariff language concerning its back flow prevention rule, add a leak adjustment policy, and add a rule establishing a different billing cycle than is presently used. The requested tariff revisions are acceptable under 807 KAR Chapter 5.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The cost justification information for the proposed connection charges was incorrectly calculated, and the proposed changes should be denied.

2. The proposed charges to reestablish disconnection service, reconnection, returned check, meter test at customer's request and meter reading at customer's request are equal to the expenses incurred to provide the associated services.

3. The proposed tariff revisions are in accordance with 807 KAR Chapter 5.

4. The charges set forth in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, and should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed connection charges are denied.

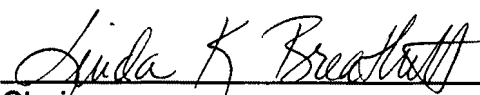
2. The proposed tariff revisions are approved on and after the date of this Order.


3. The charges set out in Appendix A are approved for services rendered on and after the date of this Order.

4. Within 30 days of the date of this Order, Reidland shall file its revised tariff sheets setting out the revisions and charges approved herein.

Done at Frankfort, Kentucky, this 15th day of May, 1997.

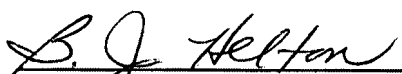
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-076 DATED MAY 15, 1997

The following rates and charges are prescribed for the customers in the area served by Reidland Water and Sewer District. 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.

NON-RECURRING CHARGE

Connection Charge 5/8" x 3/4" meter	\$427.00
Connection Charge 1" meter	\$521.00
Connection Charge for all other meter sizes	actual cost
Reestablish Discontinued Service (Discontinued Service is when a meter is physically removed)	\$ 20.00
Reestablish Discontinued Service (after hours)	\$ 35.00
Reconnection Charge (Reconnection is when water is shut off but meter remains in place)	\$ 20.00
Reconnection Charge (after hours)	\$ 35.00
Returned Check Charge	\$ 15.00
Meter Test Request	\$ 25.00
Meter Reading Request	\$ 15.00