

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF MUHLENBURG)	
COUNTY WATER DISTRICT TO AMEND)	CASE NO. 96-582
ITS WATERLINE EXTENSION POLICY)	

O R D E R

On November 4, 1996, Muhlenberg County Water District ("Muhlenberg County") filed a tariff proposing to amend its Waterline Extension Policy. The Commission by Order dated December 11, 1996 determined that further proceedings were necessary and suspended the tariff to the conclusion of this proceeding.

On August 29, 1997, Muhlenberg County filed an amended tariff to its Water Extension Policy. The Commission found that the Amendment of Waterline Extension Policy tariff as filed contains items that were not acceptable as to language and service under the proposed extension policy. The Commission, on its own motion, ordered that an informal conference be held with Commission Staff and Muhlenberg County on December 3, 1997.

On April 30, 1998, Muhlenberg County filed an Amended Waterline Extension Policy tariff. Muhlenberg County also filed a leak adjustment tariff. Neither tariff filing contained an effective date; thus suspension of the tariffs was not required. The Commission, on June 8, 1998, requested Muhlenberg County to reconsider certain parts of its leak policy.

On August 11, 1998, Muhlenberg County filed "A Hidden Underground Leak" policy tariff to replace its previously filed leak policy tariff.

The Commission, having considered the Waterline Extension Policy tariff filed on April 30, 1998 and the Hidden Underground Leak policy tariff filed herein on August 11, 1998 by Muhlenberg County, finds that both tariffs are in conformity with the law and regulations, are in the public interest, and should be approved.

IT IS HEREBY ORDERED that:

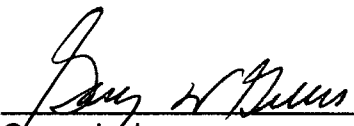
1. The Waterline Extension Policy in Appendix A of this Order is approved for service rendered by Muhlenberg County Water District on and after the date of this Order.
2. The Hidden Underground Leak policy is approved as filed by Muhlenberg County Water District and shall be effective as of September 10, 1998.
3. Within 30 days of the date of this Order, Muhlenberg County shall file with the Commission its Waterline Extension Policy Tariff as approved herein.

Done at Frankfort, Kentucky, this 28th day of August, 1998.

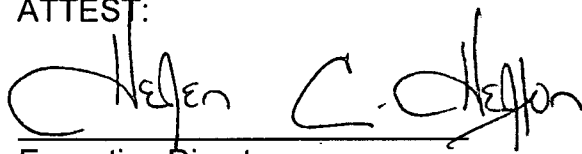
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 96-582 DATED AUGUST 28, 1998

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
FRANKFORT, KENTUCKY

APR 30 1998

PUBLIC SERVICE
COMMISSION

In the matter of:

MUHLENBERG COUNTY WATER DISTRICT)
WATERLINE EXTENSION POLICY) CASE NO. 96-582

The following shall be the line extension policy of the
Muhlenberg County Water District from and after the date approved
by the Public Service Commission:

1. Normal extension. An extension of fifty (50) feet or less
shall be made by the District to its existing distribution main
without charge for a prospective customer who shall apply for and
contract to use service for one (1) year or more.

2. Other extensions.

(a) When a District customer desires an extension of the
utility's main to serve an applicant or group of applicants and it
requires more than fifty (50) feet per applicant, the District
shall require the total cost of the excess footage over fifty (50)
feet per customer to be deposited with the utility by the applicant
or applicants, based on the average estimated cost per foot of the
total extension. The total cost shall likewise include all
necessary equipment, including in-line booster pumps and
electricity for same, if required, in order to insure that the
water provided to the applicant or applicants shall be delivered in
accordance with Public Service Commission policy for pressure. The
District shall be responsible for maintaining the line thereafter.

(b) Each customer who has paid for service under this
extension policy shall be reimbursed as follows:

A. For a period of five (5) years after construction of the extension, each additional customer whose service line is directly connected to the extension installed, and not to extensions or laterals therefrom, shall be required to contribute to the cost of the extension based on recomputation of both the utility's portion of the total cost and the amount contributed by the customers. The utility shall refund to those customers that have previously contributed to the cost of the extension that amount necessary to reduce their contribution to the current calculated amount for each customer connected to the extension. All customers directly connected to the extension for a five (5) year period after it is placed in service shall contribute equally to the cost of construction of the extension. In addition, each customer shall pay the approved tap-on fee applicable at the time of his application for the meter connection. The tap-on fee shall not be considered part of the refundable portion of the extension and may be changed during the refund period. After the five (5) year refund period expires, any additional customer shall be connected to the extension for the amount of the approved tap-on fee only. The total amount refunded shall not exceed the amount paid the utility. No refund shall be made after the refund period ends.

3. Any applicant desiring an extension of waterline to a proposed real estate subdivision or to any other extension for any purpose shall be required to pay the entire cost of the extension, including all professional services. Any additional equipment

required to be installed to insure that such extension shall properly function shall be included in the cost of such extension to be paid by the applicant. Each year, for a refund period of ten (10) years, the utility shall refund the applicant for the extension a sum equal to the cost of fifty (50) feet of the extension installed for each new customer connected during the year whose service line is directly connected to the extension installed by the developer, and not to extensions or laterals therefrom. The total amount refunded shall not exceed the amount paid to the utility. No refund shall be made after the refund period ends.

4. Any applicant desiring an extension to any commercial enterprise shall be required to pay the entire cost of the extension, including the addition of all equipment which may be required to make the extension work, including pumping stations or renovations thereof, booster pumps, electrical service, storage tanks, pipe installation and professional services, and any permit which may be required. Any other cost associated with the line extension shall be paid by the applicant.