

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF BULLOCK PEN)	
WATER DISTRICT TO REVISE TAP FEES)	CASE NO. 98-125
FROM DEVELOPERS)	

O R D E R

On February 13, 1998, Bullock Pen Water District ("Bullock Pen") filed a proposed revision to its tariffs that would modify the method of collecting tap-in fees from developers. The proposed revision would require developers of subdivisions and mobile home parks to pay Bullock Pen's tap fee of \$475.00 for each lot at the time of obtaining approval from Bullock Pen for installing water lines within the development. On March 12, 1998, the tariff filing was suspended.

On July 15, 1998, the Commission issued an information request to obtain additional information regarding the proposed tariff. On August 7, 1998, Bullock Pen filed a response to the information request. Bullock Pen stated that growth in the service area has strained its ability to provide inspections, maintenance and review of water lines and meters being installed. The increased growth has required larger service lines and line upgrades. Bullock Pen proposed that developers cover part of the additional expense through water meter installation fees. Bullock Pen further stated that the most significant problem that they had experienced was that of bookkeeping in collecting connection fees.

807 KAR 5:006, Section 8(1), sets out the guidelines for Special Charges. "A utility may make special nonrecurring charges to recover customer specific costs incurred which

would otherwise result in monetary loss to the utility or increased rates to other customers to whom no benefits accrue from the service provided or action taken."


807 KAR 5:011, Section 10, further provides that "[n]on-recurring charges are charges to customers due to a specific request for certain types of service activity for which, when the activity is completed, no additional charges may be incurred. Such charges are intended to be limited in nature and to recover the specific cost of the activity."

Having considered the proposed revisions and being otherwise sufficiently advised, the Commission finds that the proposed tariff revision does not conform to 807 KAR 5:006, Section 8, and 807 KAR 5:011, Section 10, concerning non-recurring charges. The cost to the utility will not occur until the service is provided. The proposed revision would provide for the collection of non-recurring fees before, and regardless of whether, service is actually provided.


IT IS THEREFORE ORDERED that the proposed tariff is hereby denied.

Done at Frankfort, Kentucky, this 22nd day of September, 1998.

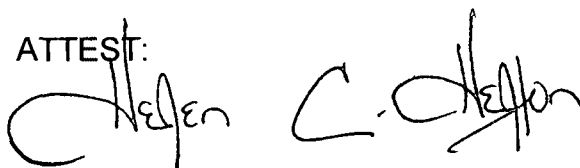
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director