

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BLACK MOUNTAIN)
UTILITY DISTRICT TO ESTABLISH AND MODIFY) CASE NO. 2005-00001
CERTAIN NON-RECURRING CHARGES)
)

ORDER

On January 4, 2005, Black Mountain Utility District (“Black Mountain”) moved to amend its application in Case No. 2004-00335¹ to establish and revise certain non-recurring charges. By our Order of February 4, 2005, we denied this motion but established this proceeding to consider the proposed non-recurring charges. Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Black Mountain’s proposed “Service Call (After Hours) Charge,” which is based upon the cost of the actual service call and is likely to vary for each call, should be denied. Except in unusual circumstances, the proposed charge should be specific and reflect the cost of serving a general class of customers. A non-recurring charge for a service that is available to all customers and is likely to be assessed to a large number of customers and that will vary for each customer is difficult to administer and equally difficult to regulate.

¹ Case No. 2004-00379, Application of Black Mountain Utility District for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities (Ky. PSC filed Jan. 4, 2005).

2. Black Mountain proposes a returned check charge of \$32 and further proposes that this charge be adjusted automatically to reflect any changes in the fees that the utility's bank assesses for returned checks. The proposed charge of \$32 reflects the expenses that Black Mountain currently incurs for returned customer checks and should be approved. As Black Mountain has presented no evidence to suggest that its selection of a vendor for banking services or the fees of that vendor can always be presumed to be reasonable, its proposal to permit automatic revisions to its returned check charge to reflect changes in its bank's fees for returned checks should be denied.

3. While Black Mountain's proposed "Second Meter Cover Replacement" Charge of \$25 is equal to the expenses associated with the replacement of a meter cover, the title of this charge should be revised to "Meter Cover Replacement" Charge to avoid customer confusion.

4. All other proposed charges are equal to the expenses incurred to provide the associated services.

5. The charges set forth in Appendix A to this Order are fair, just and reasonable.

IT IS THEREFORE ORDERED that:

1. Black Mountain's proposed "Service Call (After Hours) Charge" is denied.

2. Black Mountain's proposal to adjust automatically its proposed Returned Check Charge to reflect any changes in the fees that the utility's bank assesses for returned checks is denied.

3. All other proposed charges, as set forth in Appendix A to this Order, are approved for services rendered on and after the date of this Order.

4. The proposed "Second Meter Cover Replacement Charge" shall be titled "Meter Cover Replacement Charge."

5. Within 20 days of the date of this Order, Black Mountain shall file with the Commission revised tariff sheets showing the charges approved herein and containing the signature of the officer of Black Mountain authorized to issue tariffs.

Done at Frankfort, Kentucky, this 8th day of July, 2005.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00001 DATED July 8, 2005

The following rates, charges, and policies are prescribed for the customers in the area served by Black Mountain Utility District. All other rates, charges, and policies not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Non-Recurring Charges

Re-Connection Charge (After Hours)	\$ 50.00
Meter Cover Replacement	25.00
Meter Re-Read	15.00
Broken Meter Lock	25.00
Meter Base Re-location Charge	Actual Cost
Returned Check Charge	32.00
Meter Test	20.00