

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A DEVIATION)
FROM 807 KAR 5:041, SECTION 12, TO ALLOW IT) CASE NO. 2006-00416
TO REVISE ITS TARIFF REGARDING ITS POLICY)
FOR SERVICE EXTENSIONS TO MOBILE HOMES)

O R D E R

On July 7, 2006, Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") filed a request for a deviation from 807 KAR 5:041, Section 12, as to extensions of electrical service to mobile homes in its service area. Section 12 of that regulation states who should pay costs associated with line extensions to mobile homes.

Section 12. Distribution Line Extensions to Mobile Homes.

- (1) All extensions of up to 150 feet from the nearest distribution line shall be made without charge.
- (2) Extensions greater than 150 feet from the nearest distribution line and up to 300 feet shall be made if the customer pays the utility a "customer advance for construction" of fifty (50) dollars in addition to any other charges required by the utility for all customers. This advance shall be refunded at the end of one (1) year if service to the mobile home continues for that length of time.
- (3) For extensions greater than 300 feet and less than 1,000 feet from the nearest distribution line, the utility may charge an advance equal to reasonable costs incurred by it for that portion of service beyond 300 feet plus fifty (50) dollars. Beyond 1,000 feet the extension policies set forth in Section 11 of this administrative regulation shall apply.

Big Sandy seeks a deviation from the regulation to implement the use of a \$50 advance and refund (after 1 year) for extensions of 300 to 500 feet, in addition to extensions of 150 to 300 feet, and make this policy a part of its filed tariff.

Big Sandy states that its current practice is to extend service to mobile homes at no charge for the service extension up to 1,000 feet. Any extension beyond 1,000 feet is consistent with Commission regulations and as stated in Big Sandy's tariff and will remain unchanged.

The change Big Sandy seeks would affect extensions of 300 to 500 feet. Big Sandy states that the cost of extending service to mobile homes increases significantly if the extension is in the range of 500 feet. Extensions of less than 500 feet are not as costly and Big Sandy proposes to accept a \$50 advance and refund (after 1 year) for extensions of 300 to 500 feet as well as for the extensions of 150 to 300 feet. Any extension beyond 500 feet would conform to the Commission regulation providing for a charge of incremental cost plus a \$50 advance refunded over 4 years.

We find that the reasons articulated by Big Sandy are sufficient cause, pursuant to 807 KAR 5:041, Section 22, for the Commission to permit the requested deviation from this rule.

IT IS THEREFORE ORDERED that:

1. Big Sandy's request for a deviation from 807 KAR 5:041, Section 12, is granted.
2. The proposed tariff sheets filed by Big Sandy are approved.

Done at Frankfort, Kentucky, this 1st day of November, 2006.

By the Commission

ATTEST:



Executive Director

Case No. 2006-00416