

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MOUNTAIN WATER)	
DISTRICT TO INCREASE AND ESTABLISH)	CASE NO. 2008-00508
CERTAIN NONRECURRING CHARGES)	

ORDER

On December 9, 2008, Mountain Water District (“Mountain District”) tendered for filing its application to revise certain nonrecurring charges. Because the application did not comply with 807 KAR 5:011 and the water district had not provided notice of its proposed revisions in accordance with KRS 278.180, the Commission rejected it. Mountain District cured these deficiencies on January 22, 2009, at which time its application was accepted for filing.¹

Mountain District proposes to correct certain omissions and clarify certain ambiguities in its existing water and sewer tariff. These revisions include specific connection fees for its sewer operations, a fee for use of credit or debit cards, a methodology for billing multiple-unit facilities and facilities that do not receive water

¹ The Attorney General (“AG”) is the only intervening party to this proceeding. He moved for leave to intervene on December 31, 2008. The Commission granted his motion on January 12, 2009. On December 28, 2008, Pike County Judge/Executive Wayne Rutherford urged the Commission in writing to carefully review the application and consider delaying the proposed revisions in light of existing economic conditions.

Neither the AG nor Mountain District has requested discovery in this matter or a hearing. Commission Staff has issued three requests for information to Mountain District. The parties have advised the Commission that they have no objection to the submission of this matter for decision.

service from Mountain District, and withdrawing water from hydrants or during construction. The revision also contains revisions to its disconnection policy.

In response to Commission Staff discovery requests, Mountain District has further clarified certain rules governing the conduct of its business and the conditions under which it will provide service. More specifically, it has identified the customer's responsibility for the maintenance and replacement of grinder pump equipment and stated its willingness to permit customers to pay the initial connection fee in installments. In view of Mountain District's responses to discovery requests, the Commission has directed the water district to revise its rate schedules to expressly contain these business rules and conditions of service.

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed charges are equal to the expenses incurred to provide the associated services.
2. The charges set forth in the Appendix are fair, just and reasonable.
3. The rules and conditions of service that are set forth in the Appendix are reasonable.
4. Mountain District should revise its filed rate schedules to provide for a reasonable installment plan for the payment of the Sewer Connection Fee (Gravity and Pressurized Sewers).
5. Mountain District should revise its filed rate schedules to clearly reflect that the water district is responsible for the maintenance and replacement of all grinder pump equipment used in connection with its pressurized sewer system.

6. Prior to accepting a credit or debit card from a customer to make payment, Mountain District should advise the customer who is tendering payment that a separate charge will be incurred for the use of a credit or debit card and state the amount of that fee.

IT IS THEREFORE ORDERED that:

1. The charges and rules set forth in the Appendix are approved for services rendered on and after the date of this Order.

2. Within 60 days of the date of this Order, Mountain District shall revise its filed rate schedules to provide for a reasonable installment plan for the payment of the Sewer Connection Fee (Gravity and Pressurized Sewers).

3. Within 60 days of the date of this Order, Mountain District shall revise its filed rate schedules to clearly reflect that the water district, not the customer, is responsible for the maintenance and replacement of all grinder pump equipment used in connection with its pressurized sewer system.

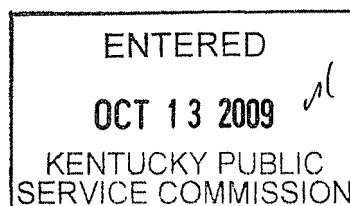
4. Prior to accepting a credit or debit card from a customer to make payment, Mountain District shall advise the customer who is tendering payment that a separate charge will be incurred for the use of a credit or debit card and state the amount of that fee.

By the Commission

ATTEST:



Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00508 DATED **OCT 13 2009**

The following rates and charges are prescribed for the customers in the area served by Mountain Water District. All other rates and charges 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.

Water Division

Fire Hydrant Installation	\$2,550.00
Reconnect (After Hours)	50.00
Meter Re-read	30.00
Residential Deposits	75.00
Commercial Deposits	150.00

Water Withdrawal Policy

Water withdrawn from a hydrant and water withdrawn for construction shall be charged at the lowest rate in the current rate schedule.

Multiple Housing Unit Facilities

Total water usage of the facility shall be divided by the number of units to determine average unit water usage. The applicable rates shall be applied to this amount to determine the billed amount for each unit. The billed amount for the average unit will be multiplied by the total number of units to determine the total amount due.

Credit Card/Debit Card/Online Payment Fee:

Payments may be made in the form of cash, credit/debit card, or online at www.mountainwaterdistrictky.com. Customers choosing to pay by credit or debit card shall be charged \$0.25 per transaction plus 2.27% of the amount to be paid.

Disconnect Policy

All bills not paid on or before the past due date shall be deemed delinquent. Any delinquent bill will appear as added to next month's balance. Included on the bill will be a statement indicating that, if the previous balance is not paid in full on or before the next past due date, it is the intent of the District to discontinue service as of the date provided. However, if, prior to discontinuance of service, there is delivered to the District or its employee empowered to discontinue service, a written certificate signed by a physician, registered nurse, or a public health officer that, in the opinion of the certifier, discontinuance of service will aggravate an existing illness or infirmity at the affected premises, *service shall not be discontinued until the affected resident can make*

other living arrangements or until thirty (30) days elapse from the time of the District's receipt of said certification, whichever occurs first.

Sewer Division

Standard Residential Gravity Sewer Connection Fee	\$750.00
Non-Standard Residential Gravity Sewer Connection Fee	Actual Cost
Standard Residential Pressure Sewer Connection Fee	2,600.00
Non-Standard Residential Pressure Sewer Connection Fee	Actual Cost
Late Payment Penalty	10%

Multiple Housing Unit Facilities

Total water usage of the facility shall be divided by the number of units to determine average unit water usage. The applicable rates shall be applied to this amount to determine the billed amount for each unit. The billed amount for the average unit will be multiplied by the total number of units to determine the total amount due.

Should water service not be available at the facility, the monthly charge shall be based on the water system's average residential usage and calculated at the current sewer rate schedule multiplied by the number of housing units in the multiple-unit facility to derive the total bill due.

Customers without water service

For customers who do not receive water service from Mountain Water District, the usage will be based on the residential customer's average usage and then calculated using the current sewer rate schedule to derive the total bill due.

Credit Card/Debit Card/Online Payment Fee:

Payments may be made in the form of cash, credit/debit card, or online at www.mountainwaterdistrictky.com. Customers choosing to pay by credit or debit card shall be charged \$0.25 per transaction plus 2.27% of the amount to be paid.

Disconnect Policy

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