

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GREEN RIVER VALLEY)	
WATER DISTRICT FOR AN ADJUSTMENT OF)	CASE NO.
ITS WATER RATES AND NONRECURRING)	2009-00455
CHARGES AND REVISIONS TO ITS TARIFF)	

O R D E R

On December 23, 2009, Green River Valley Water District (“Green River Valley”) submitted an application for adjustment of water rates and revisions to its tariff. The application was rejected for filing due to deficiencies under 807 KAR 5:001, Section 10. On January 21, 2010, Green River Valley filed additional documents that cured the outstanding deficiencies and its application was accepted for filing as of that date.

Green River Valley’s application requests an adjustment of its recurring rates for water service, an adjustment of certain nonrecurring charges, and amendments to its tariff. On October 25, 2010, Green River Valley filed a second application requesting approval of an adjustment of its recurring rates for water service and for authorization to issue evidences of indebtedness pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture and to issue the necessary Orders to implement the terms of such agreements.¹ The recurring rates for water service that were proposed in Case No.

¹ Case No. 2010-00354, *Application of Green River Valley Water District, Hart and Barren Counties, Kentucky (1) Seeking Approval of Revised Water Service Rates and Charges; and (2) Seeking Approval of the Issuance of Certain Securities, Pursuant to the Provisions of KRS 278.023 and 807 KAR 5:069* (Ky. PSC Nov. 5, 2010).

2010-00354 are identical to those proposed in the present case. On November 5, 2010, the Commission issued a final Order in Case No. 2010-00354 approving the proposed recurring rates and financing. Accordingly, Green River Valley's request in this case to adjust its recurring rates for water service is now moot.

Green River Valley's remaining request in this case is to adjust certain nonrecurring charges and adopt amendments to its tariff. These issues were not addressed in Case No. 2010-00354.

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

1. Green River Valley's request for approval of recurring rates for water service is moot due to the Commission's approval of those same rates in Case No. 2010-00354.

2. Green River Valley proposes to adjust its meter connection fees for 5/8" x 3/4" meters to \$750 and for all other meters to actual cost.

3. Green River Valley proposes to charge a fee for payment of bills by credit or debit card and for ACH/Bank Draft payments. The fee to be charged by Green River Valley should be identical to the fee that is charged to the utility by the payment processing company.

4. The nonrecurring charges identified in paragraphs 2 and 3 above are equal to the costs associated with providing those services. They are fair, just, and reasonable and should be approved.

5. Green River Valley proposes to increase its customer deposit to \$62, which is less than two-twelfths of the average bill of a customer using 5,000 gallons of

water. The proposed deposit is in accordance with 807 KAR 5:006, Section 7, is reasonable, and should be approved.

6. Green River Valley proposes to amend its tariff provisions related to service to fire departments for the purpose of fighting fires and training personnel. The proposed language is reasonable and should be approved.

7. Green River Valley proposes to amend its leak adjustment policy and rate. It seeks to charge a rate for this classification equal to its cost of production. Green River Valley does not list its current annual determination of cost of production in its proposed tariff.

8. A leak adjustment rate set at the cost of production is fair, just, and reasonable.

9. Green River Valley should identify the amount of its annual determination of cost of production in its tariff.

IT IS THEREFORE ORDERED that:

1. Green River Valley's application to adjust its recurring rates for water service is denied as moot.

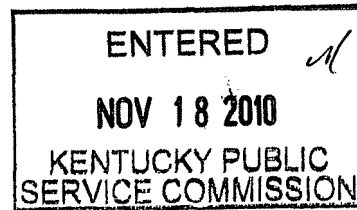
2. The nonrecurring charges listed in the Appendix to this Order are approved for services rendered on and after the date of this Order.

3. The tariff amendments proposed by Green River Valley are approved.

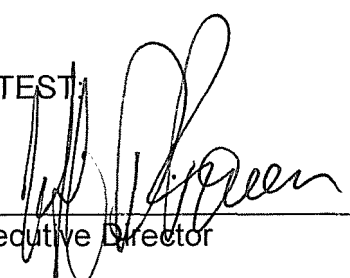
4. Green River Valley shall file revised tariff sheets that reflect the rates and tariff provisions approved herein within 20 days of the date of this Order.

5. Green River Valley shall revise its tariff annually to update its cost of production rate used for leak adjustment billings. Contemporaneous with its tariff revision, Green River Valley shall file workpapers to demonstrate how it calculated its cost of production.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00455 DATED NOV 18 2010

The following rates and charges are prescribed for the customers in the area served by Green River Valley 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.

Nonrecurring Charges

Meter Connection Charges

5/8" x 3/4" Meter

\$750

1" Meters and Larger

Actual Cost

Credit or Debit Card Fees

All customers may pay bills with cash, check or credit/debit cards. If, on the bill due date, an attempt to pay with a credit card or debit card is made and the card is declined for any reason, payment is still due in full on that date and will be considered late after that date. All late charges and penalties will be applied. If a customer is paying on the disconnect date and the card is denied, the same rules apply in addition to being disconnected.

When a customer makes a payment by credit card, the utility will assess a fee equal to that charged to the utility by the credit or debit card processing company to process the transaction. This fee is generally calculated using a formula applied to the balance of the amount charged to the debit or credit account, but may be a flat fee per transaction. Prior to processing the transaction, the customer will be informed of the fee amount and, upon request by the customer, the formula employed to arrive at the fee amount.

ACH and Bank Draft Fees

All customers may pay their bills by ACH or Bank Draft. The charge for using this method of payment will be the actual cost charged to the utility.

Other

Deposits

\$62

Leak Adjustment Rate

Rate Amount to be Submitted Annually

David Paige
General Manager
Green River Valley Water District
85 East Les Turner Road
P. O. Box 399
Cave City, KY 42127

Honorable Patrick A Ross
Attorney at Law
Hensley, Ross & Howard
207 East Main Street
Horse Cave, KY 42749