

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MARION COUNTY )  
WATER DISTRICT TO REVISE CERTAIN ) CASE NO. 2009-00540  
NONRECURRING CHARGES )

ORDER

On October 27, 2010, the Commission issued an Order in this matter in which it denied Marion County Water District's ("Marion District") proposed charge of \$1,100 for the installation of 5/8-inch x 3/4-inch meters and authorized the assessment of \$865 for such service. Our Order, however, failed to address the refund of the portion of the meter connection charges that Marion District assessed and collected between July 2, 2010 and October 27, 2010 that exceeded \$865.

Upon Marion District's written notice of its intention to revise its meter connection charge effective February 1, 2010 from \$500 to \$1,100, we suspended the proposed charge for further investigation. When the suspension period ended on July 1, 2010, Marion District placed the proposed rate into effect subject to refund. KRS 278.190(2) authorized Marion District's action, but further permits us to order the refund of any excessive portions upon completion of our review. On July 2, 2010, we ordered Marion District to maintain its records in such manner as to permit refunds of any portion of the charge deemed unreasonable.

Finding that our Order of October 27, 2010 should be amended to provide for the refunding of excessive charges that Marion District assessed from July 2, 2010 to October 27, 2010, the Commission, on its own motion, HEREBY ORDERS that:

1. The Order of October 27, 2010 in this matter is amended to include ordering paragraphs 2 through 5 below.

2. Within 60 days of the date of this Order, Marion District shall refund to its customers with interest all amounts collected for the installation of 5/8-inch x 3/4-inch meters rendered from July 2, 2010 through October 27, 2010 that exceeded \$865.

3. Marion District shall pay interest at a rate of 0.24 percent<sup>1</sup> to be calculated from the date of the customer's payment of the meter connection charge. Refunds shall be made as a one-time credit to the bills of current customers and by check to customers that have discontinued service.

4. Within 75 days of the date of this Order, Marion District shall submit a written report to the Commission in which it describes its efforts to refund all monies collected in excess of the rates that are set forth in the Appendix to our Order of October 27, 2010.

5. Any documents filed with the Commission pursuant to ordering paragraph 4 shall reference this case number and shall be retained in the utility's general correspondence file.

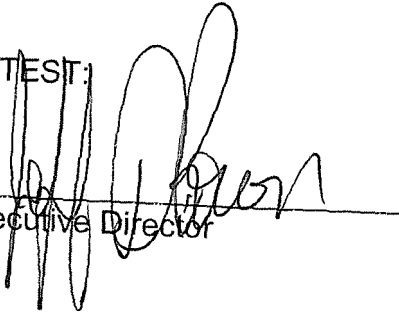
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<sup>1</sup> This rate of interest is the average of the Three-Month Commercial Paper Rate as reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release on October 27, 2010. See Federal Reserve Board, Federal Reserve Statistical Release H.15 (Nov. 1, 2010), <http://www.federalreserve.gov/releases/h15/20101101> (last visited January 10, 2011).

By the Commission

ENTERED 2  
JAN 14 2011  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2009-00540

Barbara May  
Chairperson  
Marion County Water District  
P. O. Box 528  
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