

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF SOUTH LOGAN)
WATER ASSOCIATION TO ALLOW FOR) CASE NO. 2011-00164
THE ACCEPTANCE OF DEBIT AND CREDIT)
CARD PAYMENTS)

ORDER

On March 28, 2011, South Logan Water Association ("South Logan") filed revised tariff sheets with the Commission that permit the payment of customer bills by debit and credit card and to assess a charge of three percent per transaction when such cards are used.

The Commission finds that, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed revisions. South Logan did not state a date upon which the proposed revisions would become effective. Accordingly, the proposed revision shall not become effective pending final action by the Commission or compliance with KRS 278.180.

IT IS THEREFORE ORDERED that:

1. This proceeding is established to investigate the reasonableness of South Logan's proposed tariff revisions.
2. South Logan shall file with the Commission, no later than May 31, 2011, the original and 10 copies of the information identified in the Appendix to this Order, with a copy to all parties of record. Each copy of the information shall be placed in a bound

volume with each item tabbed. When a number of sheets are required for an item, each sheet shall be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. South Logan shall include with each response the name of the witness responsible for responding to questions relating to the information provided. South Logan shall give careful attention to copied material to ensure its legibility.

3. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

4. South Logan shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

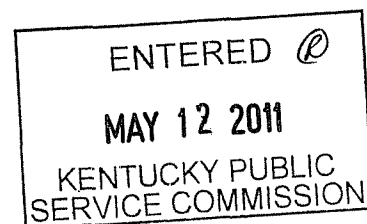
5. For any request to which South Logan fails or refuses to furnish all or part of the requested information, South Logan shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

By the Commission

ATTEST:



Executive Director



APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00164 DATED **MAY 12 2011**

1. Provide a copy of the contract between South Logan Water Association ("South Logan") and the bank(s) or financial institution(s) providing the credit card/debit card service.

2. State whether any of the agreements between South Logan and its credit card/debit card service providers restrict or prohibit South Logan's right to assess a fee to persons using a credit card/debit card to pay for services from South Logan.

3. If the response to Item 2 is yes, explain why South Logan is proposing a credit card/debit card processing fee.

4. Explain how South Logan arrived at a processing fee of three percent of the transaction.

5. State the circumstances under which South Logan will assess a flat fee per transaction.

6. a. State whether South Logan is currently accepting payments by credit card/debit card.

b. If yes:

(1) State when South Logan began this practice.

(2) For each month that this practice has been in effect, provide the total revenues received through credit card/debit card payment and the total payments to each credit card/debit card service provider.

7. State whether South Logan anticipates that the acceptance of credit cards/debit cards will reduce terminations for non-payment or delinquent payments. If yes, state the anticipated effect on terminations for non-payment or delinquent payments.

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