

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED TARIFF REVISIONS OF NEBO) CASE NO. 2012-00347
WATER DISTRICT)

O R D E R

Pursuant to KRS 278.180 and 807 KAR 5:006, Section 8, Nebo Water District has filed with the Commission notice of a proposed revision to its tariff to establish a deposit requirement for applicants for service. It proposes to implement this revision on August 1, 2012.

Based upon our review of Nebo Water District's submission, the Commission finds that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of Nebo Water District's proposed revisions and that the operation of these proposed revisions should be suspended from August 1, 2012, up to and including December 31, 2012.

IT IS THEREFORE ORDERED that:

1. This proceeding is hereby established to determine the reasonableness of Nebo Water District's proposed tariff revisions.
2. Nebo Water District's proposed tariff revisions are suspended from August 1, 2012, up to and including December 31, 2012.
3. Nebo Water District shall file with the Commission within 21 days of the date of this Order an original and eight copies of the information listed in the Appendix to this Order. Nebo Water District's response shall comply with the provisions of ordering paragraph 4 of this Order.

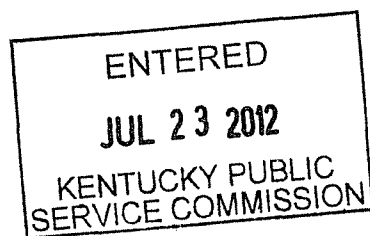
4. a. All responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness who will be responsible for responding to the questions related to the information provided, with copies to all parties of record and eight copies to the Commission.

b. Each response shall be 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.

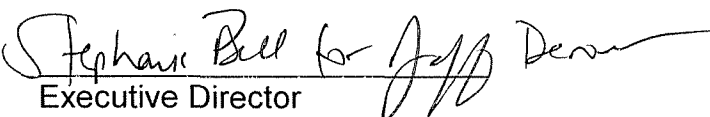
c. A party shall make timely amendment to any prior response if it obtains information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

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

By the Commission



ATTEST:


Executive Director

Case No. 2012-00347

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00347 DATED JUL 23 2012

1. Nebo Water District's proposed tariff sheet provides: "Interest, as prescribed by KRS 74.050, will be added annually to the customer's deposit."

a. State whether Nebo Water District intended to refer to KRS 278.460(2). If no describe how KRS 74.050 is related to interest on customer deposits.

b. 807 KAR 5:006, Section 7(6), requires a utility to refund or credit interest to a customer's bill on an annual basis.

(1) Explain how the proposed revision is consistent with this regulation.

(2) Explain why Nebo Water District requires a method for addressing interest on customer deposits that differs from that set forth in 807 KAR 5:006, Section 7(6).

2. Nebo Water District proposes a \$25 deposit for property owners and a \$75 deposit for renters. 807 KAR 5:006, Section 7(1)(b) allows a utility to establish an equal deposit amount for each class of customers based on the average bill of customers in that class.

a. Describe how Nebo Water District determined the deposit levels.

b. State whether Nebo Water District considers renters to be a different class of customers than property owners. If yes, explain why renters should be considered as different class of customers.

c. State the total number of Nebo Water District's customers as of June 30, 2012.

d. State the number of Nebo Water District's customers as of June 30, 2012, who are renters.

e. State the average monthly water usage of a Nebo Water District customer.

f. State the average monthly water usage of a Nebo Water District customer who rents his or her residence.

3. State whether, in Nebo Water District's opinion, renters are more likely to consume more water in a monthly period than non-renters.

4. a. State the number of terminations for failure to pay water service bills that Nebo Water District experienced in 2011.

b. State the number of terminations for failure to pay water service bills that Nebo Water District experienced in 2011 in which the customer whose service was terminated was a renter.

5. Explain why a deposit of \$75 should not be required from each applicant for service, regardless of whether he or she owns his or her residence.

6. Nebo Water District's proposed tariff provides that customers who leave without providing written notice or who are disconnected for non-payment will have their deposits applied to their final bill and will forfeit any remaining deposit.

a. Explain how this proposal is consistent 807 KAR 5:006, Section 12(1), which allows customers to request discontinuance of service upon giving the utility three (3) working days' notice in person, in writing, or by telephone.

b. Explain how the proposed provision is consistent with the provisions of KRS Chapter 393, which provide that abandoned security deposits are to be surrendered to the Commonwealth.

Lonnie Neal
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