



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
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Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

July 14, 2006

Mr. James Owen
Christian County Water District
1960 Dawson Springs Road
P.O. Box 7
Hopkinsville, Kentucky 42241-0007

RE: Case No. 2006-00013
Christian County Water District

Dear Mr. Owen:

Commission staff has reviewed your proposed main extension policy and would like to suggest some revisions. Attached is staff's recommendation. Please note that there are two proposals, one is for the 5 year extension plan and one is for the ten year extension plan. If the language is acceptable, please sign the tariff sheets for the plan Christian County wishes to implement and send them back to the Commission.

Should you have questions concerning this matter, please contact Jess Thompson at 502-564-3940, extension 278.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

FOR Christian County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Christian County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES & REGULATIONS

Water Main Extensions.

(I) Normal extensions

An extension of fifty (50) feet or less shall be made by Christian County Water District (CCWD) to its existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one (1) year or more.

Prior to acceptance of any applicant(s) request, the Board of Commissioners of CCWD must review and approve any line extension request.

All requirements contained herein must be met prior to construction. These requirements are, but are not limited to, the following: a detailed engineering plan and hydraulic model must be prepared and approved by both the Division of Water and the Board of Commissioners. All material to be used, as well as any individual or firm conducting work on the project must be approved by CCWD before start of construction. The individual or firm must present evidence of knowledge and experience in performing said work and must provide detailed references indicating their competence level to perform the necessary duties. All references must be verifiable.

An applicant for service may be required to provide an easement across his or her property for a water main that is necessary to provide service to his or her property. In no case, however, shall an applicant be required to obtain or provide an easement over property that he or she does not own. CCWD may include the cost of obtaining easements or rights-of-way in the total per foot cost of an extension and apportioned among the utility and customer in accordance with Administrative Regulation 807 KAR 5:066, Section 11.

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RULES & REGULATIONS

(II) Other Extensions

A. When an extension of the utility's main to serve an applicant or group of applicants amounts to more than fifty (50) feet per applicant, CCWD may require the total cost of the excessive footage over fifty (50) feet per applicant/customer to be deposited with the utility by the applicant or the applicants, based on the average estimated cost per foot of the total extension.

B. Nothing contained herein shall be construed to prohibit CCWD from making extensions under different arrangements if such arrangements have received the prior approval of the Public Service Commission.

C. Nothing contained herein shall be construed to prohibit CCWD from making at its expense extensions that herein, prescribed, provided like free extensions are made to other customers under similar conditions.

(IIA) Phase Projects

CCWD may extend new water service or expand and improve water service to any area at its own expense once it has obtained approval from the Board of Commissioners. The board will determine if adequate need exists to warrant the extension, if funding is available, if the area is serviceable by any other means, and if the extension is in the best interest of the ratepayers and the District for system growth, development and management. All easements must be obtained in a timely and cost effective manner. If this is not possible, as a last resort, the District may expend funds to obtain easements through court ordered condemnations. The Board of Commissioners will weigh the cost against the potential benefit of the extension, and will act accordingly.

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RULES & REGULATIONS

(IIB) Cost Share Line Extensions

A cost-share line extension may be obtained when an individual or group wishes to proceed with a project and some type of public funding is either not available or is inadequate. If the possibility exists that not all funds can be provided by CCWD, a voluntary contribution may be offered to offset lack of funds. This contribution may be offered to facilitate the construction of the project in a timely manner. If approved, and if it meets all local, state, federal, and CCWD guidelines, this project may be constructed.

(IIC) Rock/Obstacle Clause

An additional charge shall be made for meter connections where rock is encountered, such rock condition being defined as limestone or other hard stratified material in a continuous volume of at least one cubic yard or more and which cannot be removed using ordinary excavation equipment. The charge shall be applied per linear trench foot and shall not exceed the actual cost of excavation.

(IID) Five (5) Year Extension Plan

For a period of five (5) years after construction of the extension, each additional customer whose service line is directly connected to the extension installed, and not to extensions or laterals therefrom, shall be required to contribute to the cost of the extension based on a recomputation of both CCWD's portion of the total cost and the amount contributed by the customers. CCWD shall refund to those customers that have previously contributed to the cost of the extension the amount necessary to reduce their contribution to the currently calculated amount for each customer connected to the extension. All customers directly connected to the extension for a five- (5) year period after it is placed in service shall contribute equally to the cost of construction of the extension. In addition, each customer must pay the approved tap-on fee applicable at the time of his/her application for the meter connection. The tap-on fee will not be considered part of the refundable cost of the extension and may be changed during the

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refund period. After the five (5) year refund period expires, any additional customer shall be connected to the extension for the amount of the approved tap-on fee only. After the five (5) year refund period expires, the utility shall be required to make refunds for an additional five (5) year period to the customer or customers who paid for the excessive footage the cost of fifty (50) feet of the extension in place for each additional customer connected whose service line is directly connected to the extension installed and not to extensions or lateral therefrom. Total amount refunded shall not exceed the amount paid the District. No refund shall be made after the refund period ends. There is nothing in this subparagraph or policy/plan which would prohibit either party or any party from making voluntary contribution toward this extension to facilitate its timely construction.

(IIE) Real Estate Subdivision Extension Plan

An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year, for a refund period of ten (10) years, the utility shall refund to the applicant who paid for the extension a sum equal to the cost of fifty (50) feet of the extension installed for each new customer connected during the year whose service line is directly connected to the extension installed by the developer, and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount paid to the utility. No refund shall be made for connections made to the extension after the refund period ends. There is nothing in this subparagraph or policy/plan which would prohibit either party or any party from making voluntary contribution toward this extension to facilitate its timely construction. An applicant requesting an extension may be required to provide easements within the proposed real estate subdivision development for all water main extensions necessary to serve the proposed development.

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An applicant for service may be required to provide an easement across his or her property for a water main that is necessary to provide service to his or her property. In no case, however, shall an applicant be required to obtain or provide an easement over property that he or she does not own. CCWD may include the cost of obtaining easements or rights-of-way in the total per foot cost of an extension and apportioned among the utility and customer in accordance with Administrative Regulation 807 KAR 5:066, Section 11.

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RULES & REGULATIONS

(II) Other Extensions

A. When an extension of the District's main to serve an applicant or group of applicants amounts to more than fifty (50) feet per applicant, CCWD may require the total cost of the excessive footage over fifty (50) feet per applicant/customer to be deposited with the utility by the applicant or the applicants, based on the average estimated cost per foot of the total extension.

B. Nothing contained herein shall be construed to prohibit CCWD from making extensions under different arrangements if such arrangements have received the prior approval of the Public Service Commission.

C. Nothing contained herein shall be construed to prohibit CCWD from making at its expense extensions that herein, prescribed, provided like free extensions are made to other customers under similar conditions.

(IIA) Phase Projects

CCWD may extend new water service or expand and improve water service to any area at its own expense once it has obtained approval from the Board of Commissioners. The board will determine if adequate need exists to warrant the extension, if funding is available, if the area is serviceable by any other means, and if the extension is in the best interest of the ratepayers and the District for system growth, development and management. All easements must be obtained in a timely and cost effective manner. If this is not possible, as a last resort, the District may expend funds to obtain easements through court ordered condemnations. The Board of Commissioners will weigh the cost against the potential benefit of the extension, and will act accordingly.

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A cost-share line extension may be obtained when an individual or group wishes to proceed with a project and some type of public funding is either not available or is inadequate. If the possibility exists that not all funds can be provided by CCWD, a voluntary contribution may be offered to offset lack of funds. This contribution may be offered to facilitate the construction of the project in a timely manner. If approved, and if it meets all local, state, federal, and CCWD guidelines, this project may be constructed.

(IIC) Rock/Obstacle Clause

An additional charge shall be made for meter connections where rock is encountered, such rock condition being defined as limestone or other hard stratified material in a continuous volume of at least one cubic yard or more and which cannot be removed using ordinary excavation equipment. The charge shall be applied per linear trench foot and shall not exceed the actual cost of excavation.

(IID) Ten (10) Year Extension Plan

Each year, for a refund period of ten (10) years, CCWD shall refund to the customer or customers who paid for the excessive footage the cost of fifty (50) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed and not to extensions or lateral therefrom. Total amount refunded shall not exceed the amount paid the District. No refund shall be made after the refund period ends. There is nothing in this subparagraph or policy/plan which would prohibit either party or any party from making voluntary contribution toward this extension.

(IIE) Real Estate Subdivision Extension Plan

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