

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BULLOCK PEN)
WATER DISTRICT TO INCREASE CERTAIN)
NON-RECURRING CHARGES) CASE NO. 2006-00440

O R D E R

On October 9, 2006, Bullock Pen Water District ("Bullock Pen") applied for authority to revise certain non-recurring charges. Bullock Pen was notified on October 16, 2006 that the filing was deficient. On December 4, 2006, Bullock Pen filed information that cured the deficiencies and the application was considered filed. In its application, Bullock Pen proposes to adjust its bad check charge to \$20.00 and its deposit requirements to \$100.00.

807 KAR 5:011, Section 10, contains the requirements for a rate adjustment for a non-recurring charge. Bullock Pen has provided adequate evidence of the individual expenses incurred to provide the services associated with the proposed non-recurring charge.

However, 807 KAR 5:006, Section 7(a), provides that deposit amounts shall not exceed two-twelfths of the customer's actual or estimated annual bill where bills are rendered monthly. Using this calculation and the evidence submitted by Bullock Pen, the customer deposit should be no more than a maximum of \$76.02. Based upon the evidence in this case, a customer deposit of \$75.00 is reasonable.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. The proposed bad check charge is equal to the expenses associated with processing bad checks.

2. Bullock Pen's request for a customer deposit of \$100.00 should be denied.

3. The proposed charges for customer deposits are equal to the expenses incurred to provide the associated services but are inconsistent with the requirements of 807 KAR 5:006, Section 7(a).

4. The charges and policies set forth in the Appendix to this Order are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The proposed deposit amount of \$100.00 is denied.

2. A customer deposit of \$75.00 is granted.

3. The bad check charge of \$20.00 is granted.

4. The charges in the Appendix are approved for services rendered on and after the date of this Order.

5. Within 20 days of the date of this Order, Bullock Pen shall file with the Commission revised tariff sheets setting out the charges approved in Appendix A.

Done at Frankfort, Kentucky, this 22nd day of January, 2007.

By the Commission

ATTEST


Executive Director

Case No. 2006-00440

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00440 DATED January 22, 2007.

The following rates, charges, and policies are prescribed for the customers in the area served by Bullock Pen Water District. All other rates, charges, and policies 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.

Non-Recurring Charges

Customer Deposit	\$75.00
Bad Check Charge	20.00