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March 7, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2007-00484
Rattlesnake Ridge Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on March 7, 2008.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF RATTLESNAKE RIDGE)
WATER DISTRICT TO INCREASE CERTAIN NON-) CASE NO. 2007-00484
RECURRING CHARGES)

ORDER

Rattlesnake Ridge Water District ("Rattlesnake Ridge") applied for authority to increase certain non-recurring charges and to revise its existing tariff. Rattlesnake Ridge has provided adequate evidence of the individual expenses incurred to provide the services associated with the proposed charges.

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

1. The proposed charges are equal to or less than the expenses that Rattlesnake Ridge incurs to provide the associated services.

2. The rules set forth in Rattlesnake Ridge's proposed tariff, with the exception of those listed in Finding Paragraph 3, are reasonable.

3. The following rules set forth in Rattlesnake Ridge's proposed tariff appear unreasonable or in conflict with Commission regulations:

a. Proposed Tariff Rule E.2 permits the utility to terminate service for non-payment in a lesser period of time than Administrative Regulation 807 KAR 5:011, Section 14(2)(c), permits.

b. Proposed Tariff Rule I does not correctly state the grounds on which a customer may be assessed a meter testing charge as Administrative Regulation 807 KAR 5:006, Section 8(3)(f), permits.

c. Proposed Tariff Rule P fails to state the water district's rules for water distribution main extensions in excess of 50 feet.

d. Proposed Tariff Rule V.4 unreasonably discriminates against those property owners who require more than 4 hours of water usage to extinguish fire by failing to provide such customers with the same level of free water service as provided to other property owners.

e. The proposed tariff does not state a penalty for fire departments that fail to submit the required reports of their water withdrawals from water district hydrants at no charge.¹

4. No action is necessary to implement proposed rates. A utility may not change its rates except upon 30 days' notice to the Commission.² Notice is generally given by the filing of an application for rate adjustment and tariff sheets that reflect the new rates and that contain an effective date at least 30 days later than the date of filing with the Commission.³ The Commission may suspend the operation of the proposed rates and defer the use of the proposed rates for a period of no longer than 5 months, provided we act before the proposed rates become effective.⁴

5. On November 20, 2007, Rattlesnake Ridge filed a revised tariff sheet containing the proposed rates and stating an effective date of January 1, 2008. To

¹ See 807 KAR 5:095, Section 9.

² KRS 278.180(1).

³ 807 KAR 5:011, Section 9(1) ("When a new tariff has been so issued and notice thereof given to the commission and the public in all respects as hereinbefore provided, such tariff will become effective on the date stated therein unless the operation thereof be suspended and the rates and administrative regulations therein be deferred by an order of the commission pending a hearing concerning the propriety of the proposed rates and administrative regulations under KRS 278.190.").

⁴ KRS 278.190(2).

suspend the operation of these rates, the Commission had to act on or before December 31, 2007. As we issued no Order to suspend Rattlesnake Ridge's proposed rates by that date, they became effective on January 1, 2008.

6. The provisions noted in Finding Paragraph 3 of this Order appear to be unreasonable and should be revised. If Rattlesnake Ridge fails to file revised tariff sheets amending these provisions, a review pursuant to KRS 278.260 should be conducted.

IT IS THEREFORE ORDERED that:

1. The charges in Appendix A to this Order are effective for service rendered on and after January 1, 2008.

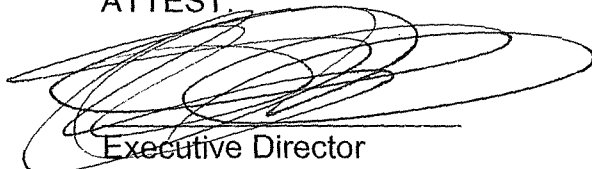
2. Within 20 days of the date of this Order, Rattlesnake Ridge shall file revised tariff sheets that reflect the rates set forth in Appendix A to this Order.

3. Within 20 days of the date of this Order, Rattlesnake Ridge shall file its revised tariff sheets containing the revisions set forth in Appendix B to this Order or, in the alternative, shall show cause to the Commission in writing why the provisions identified in Finding Paragraph 3 are not unlawful or unreasonable and why the revisions listed in Appendix B to this Order should not be made.

Done at Frankfort, Kentucky, this 7th day of March, 2008.

By the Commission

ATTEST:



Executive Director

Case No. 2007-00484

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00484 DATED MARCH 7, 2008

The following rates and charges are prescribed for the customers in the area served by Rattlesnake Ridge Water District. All other rates and charges 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

Refundable Deposit	\$65.00
Termination Charge / Field Charge	\$45.00
Reconnection Charge	\$45.00
After Hours Reconnection Charge	\$55.00
Meter Test	\$50.00
Service Investigation	\$45.00
After Hours Service Investigation	\$55.00
Meter Reading Recheck Charge	\$45.00

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00484 DATED MARCH 7, 2008

REVISIONS TO RATTLESNAKE RIDGE WATER DISTRICT'S PROPOSED TARIFF

- Amend Rule E.1 to read as follows:

Bills for water service are due and payable at the office of the District or to any designated agent, on the date of issue. Bills will be dated and mailed on the last working day of each month. The past due date shall be the tenth day after the date of issue. After the tenth day a ten percent (10%) penalty will be ~~accessed~~ assessed.

- Amend Rule E.2 to read as follows:

All bills not paid on or before the past due date shall be deemed delinquent. Notices will be mailed giving that customer five (5) days' written notice of intent to terminate. Under no circumstances shall service be terminated before twenty (20) days after the mailing date of the original unpaid bill. The water supply to the customer will be discontinued provided, however, if, prior to discontinuance of service, there is delivered to the District, or to its employee empowered to discontinue service, a written certificate signed by a Physician, a registered nurse, or a public health officer that, in the opinion of the certifier, discontinuance of service will aggravate an existing illness ~~of or~~ infirmity on the affected premises service shall not be discontinued ~~until the affected resident can make other living arrangements or until ten (10) days elapse from the time of the District's receipt of said certification, whichever occurs first~~ for 30 days beyond the termination date.

- Amend Rule I to read as follows:

It shall be the policy of the District to test each water meter in accordance with 807 KAR 5:066, Section 47 16. In addition, upon written request of any customer, the meter serving such customer shall be tested by the District. Such test will be made without charge to the customer if the meter has not been tested within 12 months preceding the requested test; otherwise, a charge of \$50.00 will be ~~made assessed and then only if the test indicates meter accuracy within the limits of 2%~~ shows the meter is more than two (2) percent fast.

- Amend Rule P to read as follows:

(4) An extension of the District's Distribution Main of fifty (50) feet or less shall be made without charge (other than the prescribed standard connection charge) for a prospective customer who shall apply for and contract to use service for one (1) year or more and who provided a guarantee for such service. All other water distribution main

extensions shall be in accordance with Commission Regulation 807 KAR 5:066, Section 11.

- Amend Rule V.4 to read as follows:

As a service to the public within its service area and for the protection of the public welfare, the Water District will furnish water to fight a fire from a fire hydrant connected directly to the Water District's water main at each fire location free of charge for a period not to exceed a total of 4 hours of usage as defined below in Section V.8.b H.1. In the event that more than 4 hours of usage occurs in fighting a fire, the owner of the property where the fire occurs shall pay for all water used in excess of 4 hours of usage in accordance with the Water District's standard water rate as in effect on the date of the fire and approved by the PSC.

- Amend Rule V.5 to read as follows:

Fire hydrants shall not be used by any contractor, property owner, governmental agency, individual, corporation, or others to secure water for any purpose. The use of a fire hydrant by anyone other than properly authorized fire department personnel for fighting a fire shall be considered a "theft of service" and prosecuted in accordance with the laws of the Commonwealth of Kentucky. The user shall pay the Water District a meter investigation charge as set forth in the Water District's charges for special services as approved by the PSC, for any damages to the Water District's property, and the full cost of the services fraudulently obtained along with all other applicable costs of the Water District allowed under the laws of the Commonwealth of Kentucky. If the Water District is required to inspect a fire hydrant or otherwise investigate improper use of a fire hydrant and a user is found to have used water from a fire hydrant for improper purposes, the user shall also be assessed a special investigation charge of \$45.

- Amend Rule V.6 to read as follows:

The fire departments utilizing fire hydrants connected to the Water District's water main shall maintain a record of any water used, including the date, location, the time that the fire department began pumping water, the time that the fire department discontinued pumping water, the approximate rate(s) of flow, the length of any interruptions in pumping water, the cause of the fire, and the property owner for whom the water was used and shall file a report with the Water District monthly. The record of the fire department in conjunction with the Water District's daily master meter readings and normal daily water usage for the service zone shall be used in determining the amount of water used to fight a fire. Any fire department that fails to submit its monthly report for water usage as required by this rule shall be assessed a penalty of (insert appropriate amount) for each failure.