

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------------|---|---------------------|
| TARIFF FILING OF HARDIN COUNTY WATER |) | |
| DISTRICT NO. 1 TO ESTABLISH |) | CASE NO. 2010-00459 |
| NONRECURRING CHARGES |) | |

ORDER

Hardin County Water District No. 1 ("Hardin District") filed a tariff on October 29, 2010 to establish a nonrecurring charge for customers that pay their bills for water services through Hardin District's website.¹ Hardin District proposed this nonrecurring charge to be effective on December 1, 2010.

Having considered the proposed rate adjustment and being otherwise sufficiently advised, the Commission finds that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of the proposed rate adjustment.

IT IS THEREFORE ORDERED that:

1. Hardin District's proposed rate for an Internet/Web Payment Fee is suspended for five months from December 1, 2010 through April 30, 2011.
2. a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided, with copies to all parties of record and ten copies to the Commission.

¹ Hardin District also filed revised tariff pages related to fire department water service on October 29, 2010. These pages have been accepted by the Commission and will be effective on December 1, 2010.

b. 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.

c. A party 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.

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.

3. At any hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

4. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

5. All documents that this Order requires to be filed with the Commission shall be served upon all other parties.

6. To be timely filed with the Commission, a document must be received by the Commission within the specified time for filing, except that any document shall be deemed timely filed if it has been transmitted by United States express mail, or by other recognized mail carriers, with the date the transmitting agency received said document

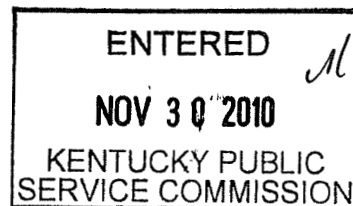
from the sender noted by the transmitting agency on the outside of the container used for transmitting, within the time allowed for filing.

7. Service of any document or pleading shall be made in accordance with 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.

8. Hardin District shall file with the Commission, no later than December 21, 2010, an original and 10 copies of the information listed in the Appendix, with a copy to all parties of record. Hardin District's response shall conform to the requirements set forth in ordering paragraph 2 of this Order.

9. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00459 DATED **NOV 30 2010**

1. Refer to the Nonrecurring Charge Cost Justification document. For each of the following expense items, state whether each expense can be partially attributable to expenses incurred for something other than the iWEB MS web payment system.

| | | |
|----|------------------------------|------------|
| a. | License Fee/Software/Setup | \$3,200.00 |
| b. | Website Design | \$2,600.00 |
| c. | Dedicated Server for Website | \$2,195.80 |
| d. | Comcast ISP Subscription | \$1,200.00 |
| e. | Iglou E-mail Hosting Service | \$180.00 |
| f. | LexNet Server | \$1,321.00 |

2. For each expense listed in Item 1 above that can be partially attributable to expenses incurred for some purpose other than the iWEB MS web payment system:

a. Explain why it is reasonable to recover the entire cost of that item through a nonrecurring charge for internet payments.

b. Estimate the cost or percentage of the total cost that will be incurred as a result of the iWEB MS web payment system only.

3. Explain how Hardin District estimated 14,856 annual internet payments. If the estimate is based on historical usage, state whether the estimate was adjusted to account for potentially fewer customers paying online if they were assessed an additional fee for that service.

4. Explain how funds are tracked from the credit card company or customer's banking account to Hardin District. In the response, describe the involvement of Transaction Warehouse and Collector Solutions, and explain how these entities collect for their services.

5. Explain why Hardin District has proposed a nonrecurring charge for costs incurred for internet payments but not for other methods of payments.

Mr. James S Bruce
General Manager
Hardin County Water District #1
1400 Rogersville Road
Radcliff, KY 40159-0489

Honorable David T Wilson II
Attorney at Law
Skeeters, Bennett, Wilson & Pike
550 West Lincoln Trail Boulevard
P.O. Box 610
Radcliff, KY 40160