

RIVER ROAD DISPOSAL  
178 WALLEN DR.  
VAN LEAR, KY 41265

OCTOBER 29, 2012

JEFF DEROUEN  
EXECUTIVE DIRECTOR  
PUBLIC SERVICE COMMISSION  
211 SOWER BLVD.  
P. O. BOX 615  
FRANKFORT, KY 40602-0615

RECEIVED

OCT 31 2012

PUBLIC SERVICE  
COMMISSION

DEAR MR. DEROUEN:

PLEASE FIND ENCLOSED RIVER ROAD DISPOSAL SYSTEM'S TARIFF APPLICATION, PURSUANT TO KRS 278.180 AND 807 KAR 5:011, SECTION 10, TO ESTABLISH A DISCONNECTION AND RECONNECTION FEE.

RIVER ROAD DISPOSAL REQUESTS TO REVISE ITS TARIFF TO ESTABLISH THE FOLLOWING PROVISIONS:

- 1) A DISCONNECTION POLICY FOR THE NON-PAYMENT OF ITS MONTHLY SEWER FEE ;
- 2) A CHARGE FOR DISCONNECTION OF SERVICE;
- 3) A CHARGE FOR RECONNECTION OF SERVICE; AND
- 4) A REQUIREMENT THAT THE MONTHLY SEWER FEE BE PAID BY VACATED PROPERTIES EVEN WHEN WATER SERVICE HAS BEEN DISCONNECTED.

IN SUPPORT OF ITS REQUESTS, RIVER ROAD DISPOSAL ARGUES THAT DISCONNECTION OF A WASTEWATER SERVICE LINE IS APPROPRIATE FOR NON-PAYMENT OF THE MONTHLY FEE AND IS ALLOWED BY 807 KAR 5:006 SECTION 14(f). RIVER ROAD DISPOSAL WILL MAKE DISCONNECTIONS IN ACCORDANCE WITH THE LANGUAGE INCLUDED IN THE PROPOSED TARIFF BY PHYSICALLY DIGGING UP THE LINE AND SEALING THE OPENING WITH CONCRETE. RECONNECTION OF A DISCONNECTED SERVICE LINE WILL BE MADE UPON RECEIPT OF ALL UNPAID MONTHLY ASSESSMENTS AND PAYMENT OF THE DISCONNECTION CHARGE AND RECONNECTION CHARGE AS PROVIDED IN THE PROPOSED TARIFF.

COST JUSTIFICATION FOR THE AMOUNT OF THE DISCONNECTION CHARGE AND RECONNECTION CHARGE ARE ATTACHED HERETO. THESE ESTIMATES WERE PROVIDED BY THREE INDEPENDENT CONTRACTORS AND SUPPORT THE AMOUNTS REQUESTED.

THE TARIFF LANGUAGE REQUESTED BY RIVER ROAD DISPOSAL REGARDING THE DISCONNECTION AND RECONNECTION OF SERVICE HAS ALREADY BEEN APPROVED BY THE COMMISSION FOR OTHER SMALL WASTEWATER SYSTEMS. RIVER ROAD REFERRED TO THE TARIFF FILED WITH THE COMMISSION BY CLASSIC CONSTRUCTION, INC. WHEN DRAFTING THE PROPOSED LANGUAGE.

IN ADDITION, RIVER ROAD DISPOSAL REQUESTS THAT ITS TARIFF BE REVISED TO REQUIRE PAYMENT OF ITS MONTHLY SEWER FEE BY PROPERTIES THAT HAVE BEEN VACATED BUT REMAIN CONNECTED TO THE COLLECTION AND TREATMENT SYSTEM EVEN WHEN WATER SERVICE HAS BEEN DISCONNECTED. TO EXPLAIN, IN, OR ABOUT, JUNE, 2010, A CUSTOMER OF RIVER ROAD DISPOSAL WAS REQUIRED TO VACATE HIS HOME DUE TO ILLNESS. ALTHOUGH HIS HOME WAS VACANT, HE CONTINUED PAYING RIVER ROAD DISPOSAL'S MONTHLY WASTEWATER SERVICE FEE. RECENTLY, A REPRESENTATIVE FOR THIS INDIVIDUAL CONTACTED RIVER ROAD DISPOSAL TO QUESTION THE APPLICABILITY OF THE WASTEWATER FEE TO THE VACATED HOME. DURING THIS INQUIRY, THEY STATED THAT THE TENANT IS NOT EXPECTED TO RETURN TO THE PROPERTY ON A PERMANENT BASIS BUT THE PROPERTY WILL NOT BE SOLD OR RENTED AT THIS TIME AND WATER SERVICE WILL BE DISCONTINUED. THEY ARGUED THAT NO WASTEWATER WILL BE PRODUCED AT THE PROPERTY WHILE WATER SERVICE IS DISCONNECTED AND PAYMENT OF THE WASTEWATER FEE SHOULD, THEREFORE, BE WAIVED.

IT IS RIVER ROAD DISPOSAL'S POSITION THAT COLLECTION OF A MONTHLY SERVICE FEE FROM THE VACATED PROPERTY IS APPROPRIATE AND LANGUAGE SHOULD BE INCLUDED IN ITS TARIFF TO REQUIRE SUCH PAYMENT BY THE VACATED PROPERTY. ALTHOUGH NO WASTEWATER WILL BE PRODUCED AT THE PROPERTY WHILE WATER SERVICE IS DISCONTINUED, RIVER ROAD DISPOSAL MUST CONTINUE TO MAINTAIN THE ABILITY AND CAPACITY TO SERVE THE VACATED PROPERTY AS LONG AS IT REMAINS CONNECTED TO THE WASTEWATER COLLECTION SYSTEM. RIVER ROAD DISPOSAL INCURS EXPENSES TO MAINTAIN THIS ABILITY AND CAPACITY TO TREAT. FOR EXAMPLE, RIVER ROAD DISPOSAL'S LARGEST ANNUAL EXPENSE IS \$2,700.00 FOR A CONTRACTED CERTIFIED OPERATOR. THIS FEE DOES NOT FLUCTUATE WITH THE AMOUNT OF WASTEWATER TREATED BY RIVER ROAD DISPOSAL. IT IS A FIXED EXPENSE THAT IS NECESSARY TO MAKE WASTEWATER SERVICE AVAILABLE TO ALL PROPERTIES CONNECTED TO RIVER ROAD DISPOSAL'S

COLLECTION SYSTEM AT ALL TIMES, INCLUDING VACATED PROPERTIES. THEREFORE, THE VACATED PROPERTY SHOULD PAY ITS SHARE OF THESE COSTS.

FURTHER, THE VACANT PROPERTY RETAINS VALUE AS A RESULT OF THE AVAILABLE WASTEWATER SERVICE. WITHOUT THIS SERVICE, THE VACANT PROPERTY WOULD BE OF NO VALUE. IN FACT, IT WOULD BE UNINHABITABLE PURSUANT TO THE STANDARDS ESTABLISHED BY THE KENTUCKY HEALTH DEPARTMENT. IT IS APPROPRIATE FOR THE VACATED PROPERTY TO SHARE THE COST OF THE WASTEWATER FACILITY BY PAYING THE MONTHLY FEE IN RETURN FOR THIS VALUE.

CLEARLY, RIVER ROAD DISPOSAL HAS DEMONSTRATED THAT THE AVAILABILITY OF WASTEWATER SERVICE BENEFITS THE VACATED PROPERTY. THE OWNERS OF THE PROPERTY SHOULD SHARE IN THE COST OF MAINTAINING THE AVAILABILITY OF THIS SERVICE. IF THE COMMISSION DISAGREES AND REQUIRES RIVER ROAD DISPOSAL TO CEASE COLLECTION FROM THIS PROPERTY, A SIGNIFICANT SUBSIDY TO THE VACATED PROPERTY FROM THE 9 PAYING CUSTOMERS WILL BE CREATED.

TO EXPLAIN, ON MARCH 2, 2012, IN CASE NO. 2011-00458, RIVER ROAD DISPOSAL RECEIVED AUTHORITY FROM THE COMMISSION TO COLLECT A FLAT MONTHLY FEE OF \$57.38 FROM EACH OF THE 10 SINGLE FAMILY RESIDENTIAL DWELLINGS. THIS FEE WAS BASED ON TEST-YEAR OPERATIONS ENDED DECEMBER 31, 2010. IF VACATED PROPERTY DOESN'T MAKE PAYMENT, RIVER ROAD DISPOSAL WILL BE REQUIRED TO REQUEST ANOTHER RATE INCREASE TO REPLACE THIS LOST REVENUE. THE REVISED RATE WOULD BE \$63.76. THIS SUBSIDY WOULD NOT BE FAIR, JUST, OR REASONABLE. IT REQUIRES THE 9 CUSTOMERS TO PAY THE COST OF MAINTAINING SERVICE AVAILABILITY TO THE VACATED PROPERTY.

FURTHER, WHEN CONSIDERING THIS MATTER THE COMMISSION SHOULD KNOW THAT A SECOND RESIDENTIAL DWELLING HAS BEEN VACANT FOR AN EXTENDED PERIOD OF TIME AND IT IS LIKELY THAT A THIRD WILL SOON BECOME VACANT. IF THIS OCCURS AND THE COMMISSION DOES NOT REQUIRE PAYMENT FROM THE VACATED PROPERTIES AND THE PROPERTIES REFUSE TO PAY, THE MONTHLY RATE ASSESSED TO THE 7 REMAINING CUSTOMERS WILL CLIMB TO \$81.98. CLEARLY, ABSENT THE AUTHORITY TO COLLECT THE MONTHLY FEE FROM VACATED PROPERTIES WILL RESULT IN UNSTABLE REVENUES AND RATES OF RIVER ROAD DISPOSAL WHICH SHOULD BE AVOIDED IF POSSIBLE.

RIVER ROAD DISPOSAL PRAYS THAT THE COMMISSION WILL SWIFTLY ADDRESS THIS ISSUE, IT IS OF SIGNIFICANT CONSEQUENCE TO RIVER ROAD DISPOSAL'S OPERATIONS. IF THE COMMISSION DENIES THE

PROPOSED TARIFF, RIVER ROAD DISPOSAL MUST FILE FOR A RATE INCREASE JUST AS SOON AS THE VACATED PROPERTIES CEASE PAYMENT.

ALSO, IN SUPPORT OF ITS APPLICATION RIVER ROAD DISPOSAL STATES THAT:

- 1) ITS NAME AND ADDRESS ARE CORRECTLY SHOWN ABOVE.
- 2) THE ORIGINAL AND 10 COPIES ARE ATTACHED.
- 3) APPLICANT IS NOT A CORPORATION.
- 4) CUSTOMER NOTICE OF THE PROPOSED CHANGES HAS BEEN PROVIDED BY MAIL TO ALL CUSTOMERS. A COPY OF THE NOTICE IS ATTACHED HERETO.
- 5) RIVER ROAD DISPOSAL REQUESTS THAT THE TARIFF BE MADE EFFECTIVE 30 DAYS AFTER IT WAS RECEIVED BY THE COMMISSION.
- 6) A COPY WAS FILED WITH THE OFFICE OF THE ATTORNEY GENERAL.
- 7) COST JUSTIFICATION IS ATTACHED.
- 8) AS EXPLAINED ABOVE, THE CIRCUMSTANCES REQUIRING THE PROPOSED TARIFF REVISIONS WERE NOT APPARENT TO RIVER ROAD DISPOSAL AT THE TIME IT FILED ITS MOST RECENT RATE APPLICATION. FURTHER, THE PROPOSED FEES MUST BE APPROVED TO PREVENT FUTURE RATE INCREASES.
- 9) THE IMPACT ON THE EFFECTED CUSTOMERS IS EXPLAINED ABOVE.
- 10) RIVER ROAD DISPOSAL HAS FILED A BALANCE SHEET AND INCOME STATEMENT WITH THE COMMISSION IN ITS 2011 ANNUAL REPORT.
- 11) NO ADSORPTION TEST WAS PERFORMED. THE ADDITIONAL REVENUE TO BE GENERATED FROM THE PROPOSED FEES WILL NOT REPRESENT AT LEAST 5 PERCENT OF TOTAL REVENUES. IN FACT, RIVER ROAD DISPOSAL ANTICIPATES THAT NO ADDITIONAL REVENUE WILL BE GENERATED FROM THE PROPOSED FEES. IT ONLY REQUESTS THE FEES TO ENSURE PAYMENT OF SERVICE. IF THE FEES ARE APPROVED, RIVER ROAD DISPOSAL IS CONFIDENT THAT ALL CUSTOMERS WILL MAKE PAYMENT TO AVOID THE DISCONNECTION AND RECONNECTION CHARGES.

VERY TRULY YOURS,

*Marsha Cantrell*

MARSHA CANTRELL  
RIVER ROAD DISPOSAL SYSTEM  
178 WALLEN DRIVE  
VAN LEAR, KY 41265  
(606) 789-2080

RIVER ROAD DISPOSAL SYSTEM  
178 WALLEN DRIVE, VAN LEAR, KY 41265

(606) 789-2080

NOTICE

RIVER ROAD DISPOSAL SYSTEM PROVIDES NOTICE OF ITS REQUESTED IMPLEMENTATION OF THE FOLLOWING:

- (1) A DISCONNECTION POLICY FOR THE NON-PAYMENT OF ITS MONTHLY SEWER FEE.
- (2) A CHARGE FOR DISCONNECTION OF SERVICE                      \$500.00
- (3) A CHARGE FOR RECONNECTION OF SERVICE                      \$500.00
- (4) A REQUIREMENT THAT THE MONTHLY SEWER FEE BE PAID BY VACATED PROPERTIES EVEN WHEN WATER SERVICE HAS BEEN DISCONNECTED.

THE RATES CONTAINED IN THIS NOTICE ARE THE RATES PROPOSED BY RIVER ROAD DISPOSAL SYSTEM. HOWEVER, THE PUBLIC SERVICE COMMISSION MAY ORDER RATES TO BE CHARGED THAT ARE HIGHER OR LOWER THAN THE RATES PROPOSED IN THIS NOTICE.

ANY CORPORATION, ASSOCIATION, BODY POLITIC OR PERSON WITH A SUBSTANTIAL INTEREST IN THIS MATTER MAY SUBMIT TO THE PUBLIC SERVICE COMMISSION A WRITTEN REQUEST TO INTERVENE IN THIS MATTER. A REQUEST TO INTERVENE SHALL BE IN WRITING, SHALL BE SUBMITTED TO THE EXECUTIVE DIRECTOR, PUBLIC SERVICE COMMISSION, 211 SOWER BOULEVARD, P.O. BOX 615, FRANKFORT, KY, 40602, AND SHALL SET FORTH THE GROUNDS FOR THE INTERVENTION, INCLUDING THE STATUS AND INTEREST OF THE PARTY MOVANT.

COPIES OF THE APPLICATION MAY BE OBTAINED AT NO CHARGE FROM RIVER ROAD DISPOSAL SYSTEM AT 178 WALLEN DRIVE, VAN LEAR, KENTUCKY 41265. THE APPLICATION AND ALL DOCUMENTS FILED WITH THE PUBLIC SERVICE COMMISSION MAY BE VIEWED AND DOWNLOADED AT THE PUBLIC SERVICE COMMISSION'S WEB SITE AT <http://psc.ky.gov/>.

RIVER ROAD DISPOSAL SYSTEM

FOR Powell Addn (10 houses) VAN Lear, Ky.

PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. 1 \_\_\_\_\_

RIVER ROAD DISPOSAL SYSTEM  
(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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A. RATES

Monthly Charge \$57.38

Request for the following language to be added to the current tariff regarding  
The above:

Monthly Charge \$57.38  
This charge is explicable to Vacated Homes even when  
Water service is disconnected.

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

FOR Powell Addn (10 houses) Van Lear, Ky.

PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. 2.

RIVER ROAD DISPOSAL SYSTEM  
(NAME OF UTILITY)

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

**B. SPECIAL NON-RECURRING CHARGES**

Disconnection Charge \$500.00

Reconnection Charge \$500.00

- (1) Request for the following language to be added to the current tariff:

**DISCONNECTION CHARGE**

A disconnect fee will be assessed when the utility disconnects service for non-payment of service. The utility shall mail or otherwise deliver to that customer five-(5) days' written notice of intent to terminate. Under no circumstances shall service be terminated before twenty (20) days after the due date of the original unpaid bill.

Once the sewer has been disconnected, the local health department will be notified to declare the residence uninhabitable.

- (2) Request to amend the language (last paragraph, Sheet 4) current tariff as follows:

**DISCONTINUANCE AT CUSTOMER'S REQUEST**

Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days notice. The notice may be given in writing, in person or via telephone. Notice to discontinue prior to expiration of contract term will not relieve the customer from any minimum or guaranteed payment. Upon Customer notice of disconnection of sewer, the customer will be required to pay disconnection fee and service will be disconnected as established in this tariff.

DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

# Proposal

## Dirty Work Septic Service

PO Box 2126  
Inez, KY 41224

River Road Dep. 606-298-0111 - Fax 606-298-0115

PROPOSAL SUBMITTED TO <i>178 Walker Dr</i>	PHONE	DATE <i>10-24-12</i>
STREET <i>VAN Lear, Ky 41265</i>	JOB NAME	
CITY, STATE AND ZIP CODE	JOB LOCATION	

We hereby submit specifications and estimates for:

*\* Connect or Disconnect sewage lines from existing residence. Concrete openings.*

**We Propose** hereby to furnish material and labor — complete and in accordance with above specifications, for the sum of:

*Five hundred Dollars 00/100* \_\_\_\_\_ dollars (\$ *500.00* ).

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our controls. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature

*Dennie Fletcher*

Note: This proposal may be withdrawn by us if not accepted within \_\_\_\_\_ days.

**Acceptance of Proposal** — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Date of Acceptance: \_\_\_\_\_

Signature \_\_\_\_\_





**Tri County Concrete**

*Your Local Concrete Supplier*

1700 US 23 South  
Hager Hill, KY 41222  
Phone (606) 789-8800 Fax (606) 789-8804

**ESTIMATE**

DATE: OCTOBER 26, 2012

**TO:** RIVER ROAD DISPOSAL (MARSHA CANTRELL)

DESCRIPTION	QTY	RATE	AMOUNT
RECONNECT TO SEWER		400.00	
		<b>TOTAL</b>	

**Thank you for your business!**



FOR Powell Add'n (10 houses) Van Lear, KY

PSC KY NO. 1

2<sup>nd</sup> Revised SHEET NO. 1

CANCELLING PSC KY NO. 1

1<sup>st</sup> Revised SHEET NO. 1

River Road Disposal System  
(NAME OF UTILITY)

A. RATES:

Monthly Charge

\$57.38

\*NOTE: This monthly charge shall be assessed to all homes, even vacated homes when water service has been disconnected.

DATE OF ISSUE 12/14/2012  
MONTH / DATE / YEAR

DATE EFFECTIVE 1/13/2013  
MONTH / DATE / YEAR

ISSUED BY *Maub Cantrell*  
SIGNATURE OF OFFICER

TITLE *Secretary Treasurer*

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. n/a DATED n/a

FOR Powell Add'n (10 houses) Van Lear, KY

PSC KY NO. 1

Original                      SHEET NO. 1.1

River Road Disposal System  
(NAME OF UTILITY)

CANCELLING PSC KY NO.                     

                     SHEET NO.                     

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**B. SPECIAL NON-RECURRING CHARGES**

Disconnection Charge \$500.00

Reconnection Charge \$500.00

A disconnect fee will be assessed when the utility disconnects service for non-payment of service. The utility shall mail or otherwise deliver to that customer five (5) day's written notice of intent to terminate service. Under no circumstance shall service be terminated before twenty (20) days after the due date of the original unpaid bill.

Once sewer service has been disconnected, the local health department will be notified to declare the residence uninhabitable.

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DATE OF ISSUE 12/14/2012  
MONTH / DATE / YEAR

DATE EFFECTIVE 1/13/2013  
MONTH / DATE / YEAR

ISSUED BY *Marla Cantice*  
SIGNATURE OF OFFICER

TITLE *Secretary Treasurer*

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. n/a DATED n/a

FOR Powell Add'n (10 houses) Van Lear, KY

PSC KY NO. 1

Original                      SHEET NO. 4.1

CANCELLING PSC KY NO.                     

                     SHEET NO.                     

River Road Disposal System  
(NAME OF UTILITY)

**DISCONNECTION AT CUSTOMER'S REQUEST**

Customers who have fulfilled their contract term and wish to discontinue service must give at least a three (3) day notice. The notice may be given in writing, in person, or via the telephone. Notice to discontinue service prior to expiration of the contract term will not relieve the customer from any minimum or guaranteed payment. Upon customer notice of disconnection of sewer, the customer will be required to pay a disconnection fee and service will be disconnected as established in this tariff.

DATE OF ISSUE 12/14/2012  
MONTH / DATE / YEAR

DATE EFFECTIVE 1/13/2013  
MONTH / DATE / YEAR

ISSUED BY *Maisha Cantrell*  
SIGNATURE OF OFFICER

TITLE *Secretary Treasurer*

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. n/a DATED n/a