

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF HARRISON COUNTY)	
WATER ASSOCIATION, INC. TO REVISE)	CASE NO. 2014-00357
CERTAIN NON-RECURRING CHARGES)	
AND TARIFF LANGUAGE)	

ORDER

On October 2, 2014, Harrison County Water Association (“Harrison County”) submitted an application for authority to revise certain non-recurring charges and language in its Rules and Regulations through the Commission’s tariff filing system. Finding further proceedings were necessary to determine the reasonableness of the proposed increase, the Commission issued an Order on October 13, 2014, suspending the proposed charge from November 1, 2014, up to and including March 31, 2015. On November 14, 2014, Commission Staff issued its first request for information (“Staff’s First Request”) via electronic mail with responses due by November 28, 2014.

On November 25, 2014, Harrison County, through its counsel, filed a motion for an extension of time of seven days to respond to Staff’s First Request, citing time conflicts related to the Thanksgiving holiday. The Commission issued an Order on December 2, 2014, granting the requested extension of time. Harrison County’s response to Staff’s First Request was due on or before December 5, 2014.

Harrison County filed its responses to Staff’s First Request on December 2, 2014. Harrison County’s Application included cost-justification sheets for each of the proposed charges. The cost-justification sheet lists the individual expenses incurred by

the utility to provide the stated service. The cost-justification sheets for each of Harrison County's proposed increased charges included an expense amount for vehicle depreciation of \$8.00 and an expense for travel cost of \$0.55 per mile. Harrison County's responses to Staff's First Request, Items 4, 5, and 6, explained that the \$8.00 is the manager's estimation of the costs for maintenance and depreciation of vehicles. The \$0.55 per mile expense is based on the Internal Revenue Service code allowance chart of Standard Mileage Rates used in computing the deductible costs of operating an automobile. The formulation of the Standard Mileage Rate of \$0.55 per mile includes components for the recovery of vehicle maintenance and depreciation.

Harrison County has provided adequate evidence of the individual expenses incurred to provide the services associated with the proposed charges.

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

1. The Internal Revenue Service Standard Mileage Rate contains costs for recovery of vehicle maintenance and depreciation.
2. The estimated \$8.00 expense for wear on vehicles is a duplication of expenses included in the Standard Mileage Rate and should be disallowed in the calculation of each of the proposed charges.
3. The cost-justification sheet provided in the Application for the Cut Lock Charge inadvertently omitted the \$15.00 expense of a new Lock.¹

¹ Response to Staff's First Request, Exhibit 6, filed Dec. 2, 2014.

4. The cost-justification sheet provided in the Application for the Meter Test Charge inadvertently omitted the \$14.00 expense for the testing services provided by Dyer Meter Service.²

5. Harrison County proposed to add tariff language concerning the field collection charge. The proposed language states, "The Association shall not charge a field collection charge more than once in a billing period." The proposed language is consistent with Commission policies regarding field collection charges and should be approved.

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

IT IS THEREFORE ORDERED that:

1. Harrison County's proposed nonrecurring charges are denied.
2. The charges in the Appendix to this Order are approved for services rendered on and after the date of this Order.
3. Harrison County's proposed revised tariff language is approved.
4. Within 20 days of the date of this Order, Harrison County shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

² *Id.*, Exhibit 7.

By the Commission

ENTERED
JAN 27 2015
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00357 DATED **JAN 27 2015**

The following rates, charges, and policies are prescribed for the customers in the area served by Harrison County Water Association. 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.

Field Collection Charge	\$ 22.00
Reconnection Charge	\$ 42.00
Cut Lock Fee	\$ 43.00
Meter Test Fee (Customer Request)	\$ 42.00

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