

**McKinney Water District
PO Box 7
McKinney, KY 40448
Phone: (606) 346-2220 / Fax: 606) 346-5145**

September 6, 2016

RECEIVED

Talina Matthews, Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

SEP. 9 2016

Public Service
Commission

Office of the Attorney General
Consumer Protection Division
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601

**RE: Response to Data Request
Case No. 2016-00277**

Please find enclosed McKinney Water District's response to the Commission's request for data. Each response is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry. Mr. Joe Burns with the Kentucky Rural Water Association provided assistance in preparing and submitting this response.

A copy of this filing has been sent electronically to Consumer Protection Division in the Office of the Attorney General.

Please contact me anytime if you have questions or need additional information. This response has been filed through the PSC Electronic Filing System. A hard copy has been mailed and should be received at PSC within three to five days.

Sincerely,



Nicki Bastin
Finance Clerk

McKinney Water District
Response to First Data Request
Case# 2016-00277

1. Refer to the Application, Nonrecurring Charge Cost Justification forms Meter Re-Read, Service Call/Investigation, and Service Reconnection. For item 3.A., Miscellaneous Expense - Transportation, provide a detailed explanation as to how the \$11.50 was derived (i.e., if this was derived by a mileage rate, state the mileage rate and how many miles that the \$11.50 represents, and why that particular mileage rate was used). Show all calculations, state all assumptions, and provide all supporting documentation.

Response:

At the time when the transportation cost was first calculated the federal mileage rate was \$0.575 per mile. The distance to service the furthestmost customers is approximately 20 miles with the majority being reached within ten miles of the District office. Using a ten mile average to reach the majority of the customer base means a round trip service call is 20 miles therefore a total cost of \$11.50.

Since researching the transportation cost for this response the federal mileage rate for 2016 is \$0.54 per mile. This mileage rate is set annually by the Internal Revenue Service (Exhibit A). The transportation cost at the new rate is \$10.80; a \$0.70 difference.

2. Refer to the Application, Nonrecurring Charge Cost Justification forms Service Call/Investigation and Service Reconnection. For the items 1.B., Field Expense - Labor (Time and Wage), stated at \$17.58, and 2.B., Clerical and Office Expense - Labor, stated at \$10.15:
 - a) Provide a detailed explanation as to how these amounts were derived (i.e., if this represents a specific employee's hourly wage rate, or an average of several employees hourly rates, then state the job title and the hourly rate of each employee). Show all calculations, state all assumptions, and provide all supporting documentation.
 - b) For item 1.B., explain in detail the process or processes that requires one hour for either a Service Call/Investigation or a Service Reconnection.

Response:

(2a) McKinney employs four full-time staff; two work each in the business office and field operations. The labor expense is an average of their hourly rates for administration and operations. The average hourly rate for administration is \$20.31 and \$17.58 for operations (Exhibit B). The reason that the average hourly rate is used is because only one employee is typically needed to perform any non-recurring charge task.

(2b) Thirty minutes is allotted for round trip drive time the other thirty minutes is used to perform the required service in the following manner outlined below. Some service calls require more than thirty minutes others can require less time.

1. Check surroundings for safety and security upon arrival;
 2. Contact the customer to determine the problem or inform them of the work to be performed;
 3. Organize tools and perform task; and
 4. Clean up site before leaving.
3. Refer to the Application, Nonrecurring Charge Cost Justification form, Meter Re-Read.
- a) a. Item 1.B., Field Expense - Labor (Time and Wage), states a rate of \$117.58 per hour. State whether this wage rate is correct. If it is not correct, state the correct hourly wage rate.
 - b) Explain in detail how the total of \$17.58 for item I.B. was determined. Show all calculations, state all assumptions, and provide all supporting documentation.
 - c) If item I.B. is incorrectly stated at \$117.58, explain in detail the process or processes that require one hour for a Meter Re-Read.
 - d) If item I.B. is correctly stated at \$117.58, explain in detail the process or processes that require a total of six minutes for a Meter Re-Read.

Response:

(3a) Item 1.B, "Field Expense" is a typographic error. The hourly rate is correctly stated in the following field (\$17.58) used in calculating the final cost.

(3b) The average hourly rate is used is because only one employee is typically needed to perform any non-recurring charge task. See exhibit B for labor rates.

(3c) As described in response 2b thirty minutes is allotted for the round trip travel time the other thirty minutes in this case allows time to discuss with the customer why they think the reading is incorrect, check the meter reading and resolve any discrepancies before leaving the property. Remember, this charge is only applied when a customer's issue cannot be resolved over the phone therefore requiring a site visit with the meter reading being correct. 99% of the time this type of complaint is resolved over the phone.

(3d) Item 1.B is incorrectly stated.

4. Refer to the Application, Average Meter Connection Expense Cost Justification for installation of a 5/8-inch meter.
- a) On page 2, items D.1., Installation Labor Expense - Short Side, and D.2., Installation Labor Expense - Long Side Service, have an hourly rate of \$35.16 listed. Explain in detail how this hourly rate was calculated. Show all calculations, state all assumptions, and provide all supporting documentation.

- b) On page 3, item H.1., Administrative Expense —Office expense for establishing a new account and billing record, is listed at \$10.15. Explain in detail how the total for Administrative Expenses was calculated. Show all calculations, state all assumptions, and provide all supporting documentation.

Response:

(4a) The hourly rate of \$35.16 is the combined hourly rate (\$20.65 & \$14.51) of the two district employees performing and overseeing the installation. The average time required to complete a Short Side service is four hours and five hours for a Long Side service. Refer to exhibit B for supporting documentation.

(4b) The average hourly rate for the administrative staff is \$20.31. The average is used in this instance because only one person is needed to perform the task. Thirty minutes is allotted to establish a new customer service therefore the cost is \$10.30. Refer to exhibit B for supporting documentation.

5. Refer to the Application, Average Meter Connection Expense Cost Justification for installation of a 5/8-inch meter, page 3, item F.3., installation Miscellaneous Expense, which lists a Road Bore (No Rock) expense of \$250.00.

- a) Is the \$250.00 expense for the cost of the equipment, the labor to operate the machine, or both? If it is for both the cost of the equipment and labor, provide a breakdown of the expense into parts by equipment and labor.
- b) State whether the use of a road bore is required on both short side and long side service installations. If it is not required for both types of installations, state why the expense is not included in items D., Installation Labor Expense, and/or E., Installation Equipment Expense, in the long side service installation and averaged.
- c) State how McKinney Water determines the cost of the road bore where there is rock present.

(1) Identify the provisions in McKinney Water's existing tariffs that address the customer's responsibility with respect to connection expense when rock is present.

(2) If McKinney Water's existing tariffs do not address the customer's responsibility with respect to connection expense when rock is present, state how McKinney Water handles a request for connection when rock is present.

(3) If applicable, provide a new or revised tariff sheet containing the charge, fee, condition of service, and/or rule for a meter connection when rock in present.

Response:

(5a) The \$250.00 expense is charged by the contractor at \$10.00 per foot. Average distance bored for long side service is 25 feet. The contractor does not provide a labor/equipment breakdown in his service quote.

(5b) A road bore is only needed for a long side service. The service should have been included under item E.2, Installation Equipment Expense. A revised meter installation cost justification is attached as Exhibit C. The revised tap fee has been reduced from \$1,175 to \$1,050.

(5c) There is no way to determine the exact cost of a road bore where rock is present other than estimating from previous bores. In the past this has ranged from \$350 to \$1,500.

(5c.1) There is no provision in the District's current tariff that addresses customer responsibility when rock is encountered during a long side meter installation. Without this provision the District has absorbed these costs.

(5c.2) There is no way of knowing whether rock will be encountered during any long side installation. There are areas of the system that meter installation history shows a higher probability of encountering rock. All meter service requests are processed with the hope that rock is not encountered.

(5c.3) The proposed 3rd revised Sheet No. 18 has been updated to account for encountered rock and is included as Exhibit D.

6. State whether McKinney Water plans to delete item 31 .A., Special Charges, on the existing 1st Revised Sheet No. 16. If so, provide the revised tariff sheet that McKinney Water proposes to use. If not, explain why not.

Response:

A 2nd Revised Sheet 16 is included as Exhibit D.

7. Refer to McKinney's Water proposed 1st Revised Sheet No. 17 and 3rd Revised Sheet No. 18.
- a) Confirm that item J., Meter Service Damage Charge, on the 3rd Revised Sheet No. 18 duplicates item D., Meter Service Damage Charge, on the 1st Revised Sheet No. 17. Indicate why the same charge is addressed in both items.
 - b) Confirm that item K., Meter Test, on the 3rd Revised Sheet No. 18 duplicates item E., Meter Test, on the 1st Revised Sheet No. 17. Indicate why the same charge is addressed in both items.
 - c) If the Meter Service Damage Charge and Meter Test provisions on the 3rd Revised Sheet No. 18 appear in error, provide a corrected 3rd Revised Sheet No. 18.

Response:

(7a-c) The duplicate items are in error. The errors have been corrected in the revised tariff sheets included as Exhibit D.

- 8.** Refer to McKinney Water's existing 2nd Revised Sheet No. 18, Rules and Regulations for furnishing water service at Lincoln and Casey counties.
 - a)** Confirm that McKinney Water's 2nd Revised Sheet No. 18 contains item 32, Special User Agreements for Non-Standard Service, and item 33, Miscellaneous.
 - b)** State whether McKinney Water seeks to delete these two items from its Rules and Regulations for furnishing water service at Lincoln and Casey counties. If so, state why. If not, provide corrected revised tariff sheets containing items 32 and 33.

Response:

(8a-b) These errors have been corrected in the revised tariff sheets included as Exhibit D.

Exhibit A

Standard Mileage Rates



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2016 Standard Mileage Rates for Business, Medical and Moving Announced

IR-2015-137, Dec. 17, 2015

WASHINGTON — The Internal Revenue Service today issued the 2016 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2016, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 54 cents per mile for business miles driven, down from 57.5 cents for 2015
- 19 cents per mile driven for medical or moving purposes, down from 23 cents for 2015
- 14 cents per mile driven in service of charitable organizations

The business mileage rate decreased 3.5 cents per mile and the medical, and moving expense rates decrease 4 cents per mile from the 2015 rates. The charitable rate is based on statute.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously.

These and other requirements for a taxpayer to use a standard mileage rate to calculate the amount of a deductible business, moving, medical or charitable expense are in [Rev. Proc. 2010-51](#). [Notice 2016-01](#) contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan.

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New Standard Mileage Rates Now Available; Business Rate to Rise in 2015

IR-2014-114, Dec. 10, 2014

WASHINGTON — The Internal Revenue Service today issued the 2015 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2015, the standard mileage rates for the use of a car, van, pickup or panel truck will be:

- 57.5 cents per mile for business miles driven, up from 56 cents in 2014
- 23 cents per mile driven for medical or moving purposes, down half a cent from 2014
- 14 cents per mile driven in service of charitable organizations

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile, including depreciation, insurance, repairs, tires, maintenance, gas and oil. The rate for medical and moving purposes is based on the variable costs, such as gas and oil. The charitable rate is set by law.

Taxpayers always have the option of claiming deductions based on the actual costs of using a vehicle rather than the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after claiming accelerated depreciation, including the Section 179 expense deduction, on that vehicle. Likewise, the standard rate is not available to fleet owners (more than four vehicles used simultaneously). Details on these and other special rules are in [Revenue Procedure 2010-51](#), the instructions to [Form 1040](#) and various online IRS publications including [Publication 17](#), [Your Federal Income Tax](#).

Besides the standard mileage rates, [Notice 2014-79](#), posted today on IRS.gov, also includes the basis reduction amounts for those choosing the business standard mileage rate, as well as the maximum standard automobile cost that may be used in computing an allowance under a fixed and variable rate plan.

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Page Last Reviewed or Updated: 19-Oct-2015

Exhibit B

McKinney Water District Labor Rates

Search Company or Help

- My Account
- My Profile
- My Settings
- My Documents
- My Reports
- My Favorites
- My Open Windows
- Do More With QuickBooks
- Payroll on the Go
- Save time! Run payroll from any place on any device with QuickBooks Online.

INFORMATION

Personal

PAYROLL SCHEDULE [dropdown]

Direct Deposit

Taxes...

Address & Contact

PAY FREQUENCY Weekly

Sick/Vacation...

Additional Info

Finance Clerk

Payroll Info

EARNINGS

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS

Employment Info

| ITEM NAME | HOURLY ANNUAL RATE |
|------------------------|--------------------|
| Hourly | 22.48 |
| Overtime (x1.5) hourly | 33.72 |
| HOLIDAY | 22.48 |
| VACATION | 22.48 |
| PERSONAL DAY | 22.48 |

| ITEM NAME | AMOUNT | LIMIT |
|-----------|--------|-------|
| | | |
| | | |
| | | |
| | | |

Employee is covered by a qualified pension plan

Search Company or Help

My Account

- Home
- My Profile
- My Address
- My Payroll
- My Direct Deposit
- My Taxes
- My Employment
- My Pensions
- My Investments
- My Shares
- View Balance
- Print and Reports
- Open Window

Do More With QuickBooks

Payroll on the go

Save time! Run payroll from any device or any device with QuickBooks Online

Learn more

INFORMATION FOR [REDACTED]

- Personal
- Address & Contact
- Additional Info
- Payroll info
- Employment info

PAYROLL SCHEDULE

PAY FREQUENCY Weekly

Direct Deposit

Taxes...

Sick/Vacation...

Asst Field Manager

EARNINGS

| ITEM NAME | HOURLY/ANNUAL RATE |
|------------------------|--------------------|
| Hourly | 14.51 |
| Overtime (x1.5) hourly | 21.77 |
| HOLIDAY | 14.51 |
| VACATION | 14.51 |
| PERSONAL DAY | 14.51 |

ADDITIONS, DEDUCTIONS AND COMPANY CONTRIBUTIONS

| ITEM NAME | AMOUNT | LIMIT |
|-----------|--------|-------|
| | | |
| | | |
| | | |
| | | |

Employee is covered by a qualified pension plan

Employee is inactive

OK Cancel Help

- My Settings
- My Company
- My Customers
- My Employees
- My Payroll
- My Reports
- My Warnings
- My Settings
- View Balance
- My Payroll Reports
- My Warnings

REGISTRATION NO. [REDACTED]

Personal

Address & Contact

Additional Info

Payroll Info

Employment Info

GENERAL SCHEDULE

PAY FREQUENCY: Weekly

Direct Deposit

Notes

See Attachment

Office Manager

EMPLOYEE

ADDITIONAL DEDUCTIONS AND COMPANY CONTRIBUTIONS

| ITEM NAME | AMOUNT/ANNUAL RATE | ITEM VALUE | AMOUNT | LIMIT |
|-----------------------|--------------------|------------|--------|-------|
| Hourly | 18.13 | | | |
| Overtime (1.5) Hourly | 27.20 | | | |
| HOLIDAY | 18.13 | | | |
| VACATION | 18.13 | | | |
| PERSONAL DAY | 18.13 | | | |

Employee is covered by a qualified pension plan

Employee is inactive

OK

Cancel

Help

Payroll on the go

Scan this QR code to view payroll data on the go.

McKinney Water District
Labor Rate Chart

| Position | Hourly Rate |
|-------------------------|-------------|
| Field Manager | \$ 20.65 |
| Assistant Field Manager | \$ 14.51 |
| Combined Hourly Rate | \$ 35.16 |
| Average Hourly Rate | \$ 17.58 |
| Finance Clerk | \$ 22.48 |
| Office Manager | \$ 18.13 |
| Combined Hourly Rate | \$ 40.61 |
| Average Hourly Rate | \$ 20.31 |

Exhibit C

Revised Meter Installation Cost Justification Form

**AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION**

Name of Utility McKinney Water District

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch 3/4-Inch 1-Inch 1 1/2 -Inch 2-Inch

Other (specify) _____

B. Materials Expense

| | | <u>Unit Quantity</u> | <u>Cost</u> | <u>Total Cost</u> |
|----|--------------------------------|--------------------------|---------------|-------------------------|
| 1. | Water Meter | <u>1</u> | <u>54.50</u> | <u>54.50</u> |
| 2. | Meter Yoke | <u>1</u> | <u>153.22</u> | <u>153.22</u> |
| 3. | Corporation Stop | <u>1</u> | <u>30.75</u> | <u>30.75</u> |
| 4. | Meter Box and Top | <u>1</u> | <u>59.75</u> | <u>59.75</u> |
| 5. | Miscellaneous Fittings | <u>4</u> | <u>0.32</u> | <u>1.28</u> |
| 6. | Other (Itemize) | | | |
| | <u>6" Saddle</u> | <u>1</u> | <u>46.84</u> | <u>46.84</u> |
| | _____ | _____ | _____ | <u>0.00</u> |
| | _____ | _____ | _____ | <u>0.00</u> |
| | TOTAL MATERIALS EXPENSE | | | \$ <u>346.34</u> |
| | (add total cost) | | | |

C. Service Pipe Expense

Type of Service Pipe CTS 250# Size of Service Pipe 3/4

| | <u>Unit Quantity</u> | <u>Cost</u> | <u>Total Cost</u> |
|--|--------------------------|-------------|-----------------------|
| 1. Short Side Service | <u>10.00</u> | <u>0.26</u> | <u>2.60</u> |
| 2. Long Side Service | <u>60.00</u> | <u>0.26</u> | <u>15.60</u> |
| AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2) | | | \$ <u>9.10</u> |

D. Installation Labor Expense

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|------------------------|-----------------------|
| 1. Short Side Service | <u>4.00</u> | <u>35.16</u> | <u>140.64</u> |
| 2. Long Side Service | <u>5.00</u> | <u>35.16</u> | <u>175.80</u> |
| AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2) | | | \$ <u>158.22</u> |

E. Installation Equipment Expense

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|------------------------|-----------------------|
| 1. Short Side Service | <u>4.00</u> | <u>90.00</u> | <u>360.00</u> |
| 2. Long Side Service | <u>5.00</u> | <u>140.00</u> | <u>700.00</u> |
| AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2) | | | \$ <u>530.00</u> |

F. Installation Miscellaneous Expense

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|------------------------|-----------------------|
| 1. Inspection | <u>0.00</u> | <u> </u> | <u>0.00</u> |
| 2. Site Clean-Up | <u>0.00</u> | <u> </u> | <u>0.00</u> |
| 3. Other | | | |
| _____ | _____ | _____ | <u>0.00</u> |
| _____ | _____ | _____ | <u>0.00</u> |
| _____ | _____ | _____ | <u>0.00</u> |
| AVERAGE INSTALLATION MISCELLANEOUS EXPENSE (add total cost) | | | \$ <u>0.00</u> |

G. Overhead Expense

1. Installation expense (\$ 355.44) times
overhead rate (0.00%) \$ 0.00

H. Administrative Expense

1. Office expense for establishing a new account
and billing record. \$ 10.15

I. Total Expenses

| | |
|------------------------------------|------------------|
| Materials Expense | \$ <u>346.34</u> |
| Service Pipe Expense | <u>9.10</u> |
| Installation Labor Expense | <u>158.22</u> |
| Installation Equipment Expense | <u>530.00</u> |
| Installation Miscellaneous Expense | <u>0.00</u> |
| Overhead Expense | <u>0.00</u> |
| Administrative Expense | <u>10.15</u> |

TOTAL CONNECTION EXPENSE \$ 1,053.81

USE THIS AMOUNT \$ 1,050.00

Exhibit D

Revised Tariff Sheets
(1, 16, 17 & 18)

FOR Lincoln & Casey Counties
Community, Town or City

P.S.C. KY. NO. 1

2nd Revised SHEET NO. 7

CANCELLING P.S.C. KY. NO. 1

REVISED SHEET NO. 7

McKinney Water District
(Name of Utility)

RATES

notice: is not given, a customer shall remain liable for all water used and service rendered to his premises by the District until said notice is received by the District.

13. Reconnection Fee

When: the water supply to the customer has been discontinued for nonpayment of delinquent bills, a charge of \$35.00 will be made for reconnection of water services, but the reconnection will not be made until all delinquent bills and other charges, if any, owed by the customer to the District have been paid. (1)

14. Deposit

MWD reserves the right to require that a nominal amount be placed on deposit with MWD for the purpose of establishing or maintaining all customers' credit. This deposit has been established at Eighty Dollars (\$80.00) for all 5/8 x3/4 inch class meters. Deposits for all other meter classes shall be calculated at 2/12 the average annual bill. Upon payment of the deposit, the District shall issue to the customer a certificate of deposit, showing the name of the customer, the location of the initial premises occupied by the customer, and the date and the amount of the deposit. Interest will be paid on all sums held on deposit according to law. Interest on deposits will be refunded annually as set out in 807 KAR 5:006, § 7. (1)

DATE OF ISSUE June 16, 2016
Month / Date / Year

DATE EFFECTIVE September 1, 2016
Month / Date / Year

ISSUED BY Jessie L. Hood
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

FOR Lincoln & Casey Counties
Community, Town or City

P.S.C. KY. NO. 1

2nd Revised SHEET NO. 16

CANCELLING P.S.C. KY. NO. _____

Revised SHEET NO. 16

McKinney Water District
(Name of Utility)

RATES

volunteer fire department will be responsible for the upkeep of hydrants in their area. Also, they are responsible for the replacement of hydrants in the District if any are tom out or damaged in any way.
New hydrants will be installed in accordance with 807 KAR 5:066, Section 10 (b).

29. Complaints

Complaints may be made by a customer in writing, by telephone, or at the office during business hours. Decisions made concerning such complaints will only be made by the Board of Commissioners.
Decisions of the District's Commissioners may be brought before the Public Service Commission in accordance with 807 KAR 5:006, Section 9.

30. Sale of Water

Water furnished by the District may be used for domestic consumption by the customer's household or business, subject to special service agreements. The customer shall not sell, donate, give or allow use of such water to any authorized or unauthorized party.

31. Special Charges

Special charges may be assessed to the customer at amounts outlined below:

DATE OF ISSUE June 16, 2016
Month / Date / Year

DATE EFFECTIVE September 1, 2016
Month / Date / Year

ISSUED BY *Leslie J. Borch*
(Signature of Officer)

TITLE Chairman

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

FOR Lincoln & Casey Counties
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 17

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

McKinney Water District
(Name of Utility)

RATES

- A. Returned Check Charge - A charge of Ten Dollars (\$10.00) will be assessed to any customer whose personal check, ACH Bank Draft or any other form of payment is returned due to insufficient funds or other reason for which the customer is responsible. Any customer who presents during any 12-month period two personal checks or ACH (Automatic Clearing House) Bank Draft or any other form of payment that are subsequently returned for insufficient funds or other reason for which the customer is responsible must make payment in the form of cash, money order or cashier's check following the presentment of the second returned check, ACH Bank Draft, or any form of payment. In the event that a Customer's payment is refused for the reasons stated above, the utility will consider the bill as unpaid and will exercise its right to disconnect service for nonpayment of bills, per procedures set forth in the Termination of Service policy of this tariff and in accordance with Administrative Regulation 807 KAR 5:006, Section 14. (I)
- B. Meter Re-read Charge - A charge of Thirty-Five Dollars (\$35.00) will be assessed to re-read a meter at the customer's request, unless such re-read reveals that the initial reading was erroneous. No charge will be assessed if the initial meter reading was erroneous. (I)
- C. Service Reconnection Charge - A charge of Thirty-Five Dollars (\$35.00) shall be assessed for all service reconnections made, except that there shall be no connection charges assessed for service on the original installation of facilities. (I)
- D. PSC Meter Test Complaint – Any customer of MWD may request a meter test by written application to the Kentucky Public Service Commission.
- E. Contribution in Aid of Construction – The established contribution fee is based on the size of the installed metering equipment noted below. Should the District encounter rock during installation of service the customer shall be charged the actual cost of the road bore. (I)
 - 5/8" x 3/4" Meter.....\$1,050.00
 - 1" Meter (or larger meters).....Actual Installation Cost

DATE OF ISSUE June 16, 2016
Month / Date / Year

DATE EFFECTIVE September 1, 2016
Month / Date / Year

ISSUED BY *Jessie J. Koch*
(Signature of Officer)

TITLE Chairman

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

FOR Lincoln & Casey Counties
Community, Town or City

P.S.C. KY. NO. 1

3rd Revised SHEET NO. 18

McKinney Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES

- F. Delinquent Service Charge – A charge of Ten Dollars (\$10.00) shall be assessed for a trip to disconnect a delinquent meter.
- G. Service Investigation Charge – A charge of Thirty-Five Dollars (\$35.00) per trip shall be assessed for service investigations if interruption of service is not caused by failure of MWD's facilities. Any maintenance and repair of facilities beyond MWD's delivery point is the responsibility of the customer. No bill shall be adjusted as a result of water loss which occurs beyond MWD's delivery point. (I)
- H. Meter Service Damage Charge – Actual Cost shall be charged to a customer who damages any component of the meter service from the water main to the customer connection side of the meter. This includes, but is not limited to the saddle, corporation stop, curb stop, service line, yoke, setter, meter, box, lid and lock, etc. (N)
- I. Meter Test – Actual Cost shall be charged to a customer requesting a meter test, provided that such requests are limited to one (1) per twelve (12) month period. If such test shows the meter to be more than two percent (2%) fast, a refund of the meter test charge shall be made, and the bill adjusted accordingly. Meter test shall be performed by a PSC certified independent testing facility. (I)
32. Special User Agreements for Non-Standard Service. Each applicant for non-standard service shall execute to the District an agreement for special service.
33. Miscellaneous. The customer agrees to have one unit only connected to one meter. The District will not permit more than one house, mobile home, business office, etc., connected to one meter. If connection is for an apartment, duplex, etc., the Customer will have a separate meter for each unit. If the District becomes aware of more than one unit hooked to one meter, the service will be disconnected from the main meter without notification to the customer.

DATE OF ISSUE June 16, 2016

DATE EFFECTIVE September 1, 2016

ISSUED BY *Justie J. Lovel*
Month / Date / Year
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION