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Bryan C. Berger

August 24, 2010

Public Service Commission  
Attn: Mr. Jeff Derouen  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

AUG 25 2010

PUBLIC SERVICE  
COMMISSION

Re: Bullock Pen Water District  
Application for Approval of Agreement

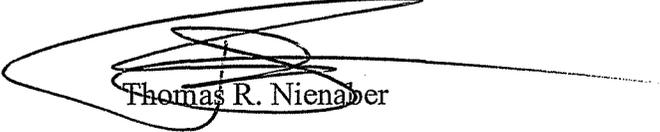
Dear Derouen:

Enclosed please find an original and 11 copies of an APPLICATION FOR APPROVAL OF AGREEMENT AND DEVIATION FROM 807 KAR 5:006 § 14. Please file this document and return a file-stamped copy.

If you need any additional information, please do not hesitate to call.

Very truly yours,

BERGER, COX & NIENABER

  
Thomas R. Nienaber

TRN/css  
Enclosure

cc: Bullock Pen Water District, Attn: Mr. Bobby Burgess  
Bullock Pen Water District, Attn: Mr. Jimmie King  
Bullock Pen Water District, Attn: Mr. Billy Simpson  
Bullock Pen Water District, Attn: Mr. Charles Givin  
Bullock Pen Water District, Attn: Ms. Andrea Walton

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 25 2010

PUBLIC SERVICE  
COMMISSION

In the Matter of:

BULLOCK PEN WATER DISTRICT

CASE NO. 2010-\_\_\_\_\_

**APPLICATION FOR APPROVAL OF AGREEMENT AND  
DEVIATION FROM 807 KAR 5:006 § 14**

Comes now the Applicant, Bullock Pen Water District ("District"), by and through its Chairman, Bobby Burgess, and for its Application seeking approval of a Water Shut Off Agreement and deviation from 807 KAR 5:006 § 14 states as follows:

1. The District is a regulated Water District organized under the provisions of KRS Chapter 74.
2. Ridgelea Investments, Inc. ("Ridgelea") owns and operates a package sanitary sewer treatment plant which provides sanitary sewer services to Grantland Estates Subdivision, Dry Ridge, Grant County, Kentucky ("Grantland Estates"). Grantland Estates consists of approximately 180 single family residences.
3. Grantland Estates is located within the approved jurisdiction of the District and receives water service from the District. Grantland Estates is a residential subdivision that receives sanitary sewer services from an on-site package treatment plant. The sewer plant is owned and operated by Ridgelea. All operational funding for the sewer plant is received from Grantland Estates residents' monthly sanitary sewer charges assessed and collected by Ridgelea.
4. By Water Shut Off Agreement ("Agreement") dated July 22, 2010 (Exhibit "A"), the District and Ridgelea entered into an Agreement whereby the District, among other services, has agreed to disconnect water service to residents of Grantland Estates in those instances where

residents are delinquent in the payment of fees and charges assessed by Ridgelea for sanitary sewer services.

5. Upon information and belief, Ridgelea is a regulated sanitary sewer service entity of the Kentucky Public Service Commission (“Commission”).

6. The District and Ridgelea would request of the Commission for a deviation from those regulations set forth in 807 KAR 5:006 § 14(1) thereby allowing the District to disconnect water service to residents of Grantland Estates serviced by Ridgelea in those instances where a resident fails to pay for sanitary sewer service charges assessed Ridgelea.

7. Due to the very nature of sanitary sewer services provided to residents of Grantland Estates, such sanitary sewer service cannot be easily disconnected in those instances where residents are not paying their monthly sewer payments. As recognized by the Commission, “there is no switch to pull or valve to turn to disconnect service. The delinquent customer’s sewer line must be plugged or water service must be disconnected. Plugging a sewer line is costly and not usually environmentally sound. It imposes a disproportionate hardship on the customer. Once the sewer line is dug up and unplugged, the residence is rendered unfit for habitation”.

8. The Agreement entered into between Ridgelea and the District allows the District to disconnect water service to those residents of Grantland Estates who are delinquent in the payment of their sanitary sewer service charges to Ridgelea. Pursuant to ¶ 2 of the Agreement, water service may only be discontinued by the District in those instances where Ridgelea has certified to the District that all appropriate statutory and/or regulatory notices have been given by Ridgelea to the delinquent customer and that the discontinuation of water service is appropriate. Both Ridgelea and the District have agreed that all statutory and/or regulatory rules,

regulations and requirements for the termination of water service may only be completed when the appropriate termination notices have been provided which shall include but not be limited to those notices as set forth in 807 KAR 5:006 § 13(5); and § 14(a).

9. The District submits a Revised Tariff as attached hereto and identified as Exhibit "B". The revised Tariff (Exhibit "B") shall supplement the existing approved Tariff of the District.

10. Ridgelea has represented to the District that a significant number of its customers receiving sanitary sewer services are not paying monthly sanitary sewer fees. As a result, Ridgelea is unable to generate sufficient income to adequately provide for the day-to-day operation of its sanitary sewer plant. The District has been informed that in at least one instance, a resident in Grantland Estates has a delinquent account balance for sanitary sewer services in excess of \$3,000.00. Unless the Commission allows the District to terminate water service for non-payment of sanitary sewer services, Ridgelea will be at a severe disadvantage and suffer irreparably due to its inability to timely receive fees and charges for sanitary sewer services rendered.

WHEREFORE, the District prays as follows:

- A. That the Water Shut Off Agreement between Ridgelea and the District be approved;
- B. That the District's revised Tariff as attached be approved;
- C. That the District be granted deviation from 807 KAR 5:006 § 14;
- D. For any and all other relief to which the District may appear entitled.

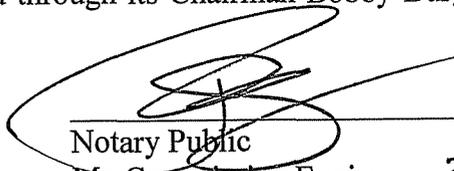
BULLOCK PEN WATER DISTRICT

BY:   
BOBBY BURGESS, CHAIRMAN

COMMONWEALTH OF KENTUCKY

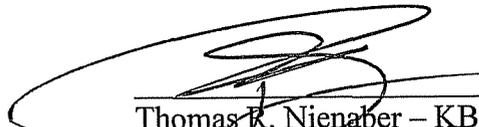
COUNTY OF KENTON

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by the said BULLOCK PEN WATER DISTRICT, by and through its Chairman Bobby Burgess, this 19 day of August, 2010.

  
Notary Public  
My Commission Expires: 3/24/12

Respectfully submitted,

BERGER, COX & NIENABER, P.S.C.

  
Thomas R. Nienaber – KBA#51820  
401 Madison Avenue  
Covington, KY 41011  
(859) 491-9088

# EXHIBIT "A"

## WATER SHUT OFF AGREEMENT

This Water Shut Off Agreement, hereinafter referred to as ("Agreement") is made and entered into this 22 day of July, 2010 by and between the Ridgelea Investments, Inc., by and through Charles Hungler, 2106 West North Bend Road, Cincinnati, Ohio 45224 and Charles Hungler, individually (hereinafter referred to as "Hungler") and Bullock Pen Water District (hereinafter referred to as "BPWD").

### WITNESSETH:

WHEREAS, Hungler currently owns and operates various sanitary sewer treatment and transmission line facilities which services Grantland Estates Subdivision in Dry Ridge, Grant County, Kentucky (approximately 180 single family residences) which are located within the territorial limits of BPWD and,

WHEREAS, BPWD is the owner and operator of various water treatment facilities and transmission lines in the Grant, Boone, Pendleton, Kenton and Gallatin County areas which include, in part, those areas serviced by Hungler with respect to sewage treatment facilities and transmission lines and,

WHEREAS, pursuant to KRS 76.090, Hungler and BPWD are authorized to enter into various agreements for the handling of delinquent sewage accounts through the shut off of water service and,

WHEREAS, Hungler and BPWD intend to formalize the terms and conditions of an agreement to provide water shut off services for non-payment of sewage service bills.

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises and undertakings hereinafter specified, Hungler and BPWD agree as follows:

1. BPWD shall make available to Hungler all water consumption records collected and maintained by BPWD for those customers of BPWD receiving sewage treatment services through those lines owned and operated by Hungler. Hungler shall pay to BPWD a reasonable fee for such water consumption reports including the actual cost of retrieving such water usage data; reasonably allocated overhead; and any and all other reasonably incurred incidental expenses or charges incurred by BPWD relative thereto. In the event that BPWD should modify or alter its current meter reading procedures and frequencies, Hungler shall only be entitled to such water consumption data at those times when the water meters are read by representatives of BPWD. In no event shall BPWD be responsible for supplying water consumption data to Hungler other than during their regular water meter reading times. It is further acknowledged by Hungler that occasionally, due to damaged meters and the like, water usage data may be inaccurate. In no event shall BPWD be liable to Hungler or its customers in any way or in any manner for any inaccurate water consumption data made available to Hungler regardless of the reason for such inaccuracy.

2. In the event that any customer of Hungler receiving sewage treatment services should become delinquent in the payment of any bill for sewage treatment services and all statutory and other regulatory requirements have been met for the collection of said delinquent account by Hungler, then and in such event, BPWD, may, upon written notice to BPWD by Hungler of such delinquent customer, shut off water service to said delinquent sewage customer. In order for BPWD to shut off any water service to a delinquent sewage customer, Hungler shall notify BPWD in writing requesting such water service shut off. Said notice shall also contain a certification by Hungler that all statutory and regulatory pre-requisites have been met by Hungler authorizing such water shut off.

3. In the event of any water shut off, BPWD shall be entitled to recover from the delinquent customer any and all costs of such shut off and reconnect fees permitted under the Tariff of BPWD as authorized and approved by the Public Service Commission. In the event that the customer is unable, refuses or does not pay BPWD for such shut off or reconnect fees then, in such event, Hungler shall reimburse BPWD the cost thereof.

4. In the event Hungler should direct or authorize BPWD to shut off any water service to any customer of Hungler and such customer shall make any claim, demand, or pursue any cause of action against BPWD as a result thereof for any reason whatsoever, Hungler does hereby agree to indemnify and hold harmless BPWD from any such liability, such indemnification and contribution to include but not be limited to the reimbursement of BPWD of any and all legal fees, costs or other expenses incurred in the defense of any and all such claims so instituted against BPWD.

5. Hungler and BPWD acknowledge that the Rules, Regulations and Statutory requirements governing Hungler and BPWD may change from time to time and that as a result of such changes, performance of the terms and conditions of this Agreement may become impossible or impractical. In the event of any such changes in the Rules, Regulations or Statutes governing the operation of Hungler and BPWD should occur as to render any terms or condition of this Agreement illegal or the performance thereof impossible or impractical, then in such event, this Agreement shall be reasonably amended so as to render the performance thereof practical in light of such new Rules, Regulations and/or Statutes. If Hungler and BPWD are unable to reasonably amend or modify this Agreement to reflect such changes, then and in such event, this Agreement shall become null and void.

6. Hungler hereby acknowledges that this Agreement is entered into pursuant to a duly authorized and adopted Resolution.

7. BWPD certifies that this Agreement is executed pursuant to duly authorized and adopted Resolution.

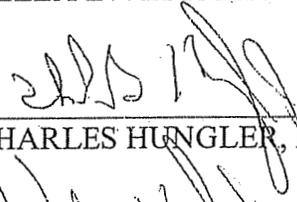
8. This Agreement shall be binding upon the respective parties, their successors and assigns.

9. Provided Hungler has not breached any term of this Agreement, this Agreement shall continue for a period of 12 months from the execution hereof and renew automatically

thereafter for successive 12 month periods unless either party elects to cancel by notifying the other of such cancellation election no later than 90 days preceding the termination of such initial 12 month term or any renewal 12 month term.

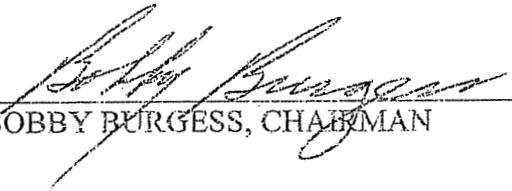
IN WITNESS THEREOF the parties have hereunto set their hands on the date and year first above written.

RIDGELEA INVESTMENTS, INC.

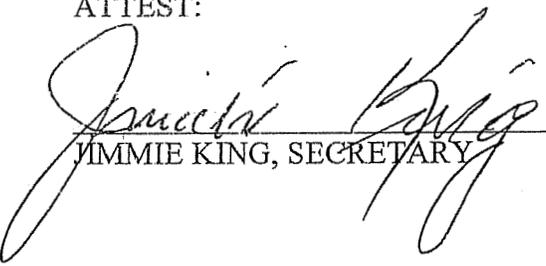
BY:   
\_\_\_\_\_  
CHARLES HUNGLER, PRESIDENT

  
\_\_\_\_\_  
CHARLES HUNGLER, individually

BULLOCK PEN WATER DISTRICT

BY:   
\_\_\_\_\_  
BOBBY BURGESS, CHAIRMAN

ATTEST:

  
\_\_\_\_\_  
JIMMIE KING, SECRETARY

# EXHIBIT "B"

FOR \_\_\_\_\_  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

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

Bullock Pen Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

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

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RULES AND REGULATIONS

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**DISCONTINUATION OF WATER SERVICE IN GRANTLAND ESTATES SUBDIVISION  
FOR NON-PAYMENT OF SANITARY SEWER SERVICE CHARGES**

The District may terminate water service to any customer in Grantland Estates Subdivision for non-payment of sanitary sewer services due and owing Ridgelea Investments, Inc. and/or its successor. Water service may be disconnected by the District only after all proper notices have been given to the customer as required by the District's then current Tariff; Public Service Commission Rules; Regulations; Kentucky Revised Statutes and/or Kentucky Administrative Regulations. The District may charge the customer the District's then current and approved disconnect and/or reconnection charges set in the District's Tariff in the event water service is terminated. This termination provision shall constitute a supplement to the existing approved Tariff of the District.

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DATE OF ISSUE \_\_\_\_\_  
Month / Date / Year

DATE EFFECTIVE \_\_\_\_\_  
Month / Date / Year

ISSUED BY Bobby Burgess  
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 2010- DATED \_\_\_\_\_