

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JAMES AND PATRICIA OLSON)	
)	
COMPLAINANTS)	
)	
VS.)	CASE NO. 95-435
)	
SOUTH WOODFORD WATER DISTRICT)	
)	
DEFENDANT)	

O R D E R

On September 25, 1995, James and Patricia Olson (the "Olsons") filed a complaint against South Woodford Water District ("South Woodford") alleging that they paid South Woodford approximately \$35,000 for an extension of its existing water main. The extension, which was approved by South Woodford, extends approximately 6,140 feet across the Olsons' property.

In the Complaint, the Olsons allege that Andy Martin, a neighbor, came onto their property without an easement, connected to their extension, and refused to pay them for the tap. The Olsons further allege that Clifton McDonald, a neighbor who was also allowed to connect to the Olson extension, paid South Woodford instead of the Olsons for the tap and South Woodford has failed to reimburse them for it. Finally, the Olsons allege that Ronald McDonald, another neighbor, intends to tap onto the Olson extension for the purposes of serving his own property and a twenty-three lot subdivision that he intends to develop.

Citing 807 KAR 5:066, Sections 11(2)(b)(2) and 11(2)(b)(3), the Olsons request for their relief that the cost of the extension in question be distributed among those who plan to use it. 807 KAR 5:066, Sections 11(2)(b)(2) and 11(2)(b)(3), clearly state that each customer who pays for an extension to a utility's main shall be reimbursed when additional customers connect their service lines directly to the extension installed and not to extensions or laterals therefrom.

On October 23, 1995, South Woodford filed its Answer to the Olsons' Complaint. In its Answer, South Woodford states that neither Andy Martin nor Clifton McDonald has connected a service line directly to the extension installed by the Olsons. South Woodford claims that Andy Martin and Clifton McDonald have constructed a lateral and an extension, respectively, from the Olsons' extension.

On November 28, 1995, the Commission entered an order requesting additional information concerning the construction by Mr. McDonald and Mr. Martin. On December 28, 1995, South Woodford filed its response which consisted of a map showing the location of the above-referenced extensions and lateral, South Woodford's Clear Creek extension design drawing, and copies of South Woodford's contracts with James E. Olson, Andy Martin, and Clifton and Lucille McDonald, Sr.

The information South Woodford filed on November 28, 1995 indicates that Andy Martin and Clifton McDonald, Sr., South Woodford's customers, do not have "service lines" directly

connected to the Olsons' extension, that Andy Martin has a "lateral" directly connected to the Olsons' extension, and that Clifton McDonald has an "extension" directly connected to it. The information also indicates that Ronald McDonald intends to construct, but has not constructed, "laterals" that directly connect to the Olsons' extension and Clifton McDonald's extension.

As a result, the documents filed by South Woodford on December 28, 1995 indicate that the Olsons should not receive any compensation for the construction that is the subject matter of this proceeding.

IT IS THEREFORE ORDERED that:

1. The Olsons may, within ten days of the date of this Order, file a response to the documents filed by South Woodford.

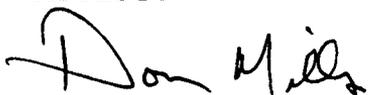
2. The Olsons may, within ten days of the date of this Order, request a hearing and notify the Commission of their intent to appear at same.

3. The Olsons' failure to request a hearing within the ten-day period shall constitute a waiver of their right to a hearing.

4. If the Olsons do not, within the ten-day period, file a response to the documents filed by South Woodford and if no request for a hearing is received within the ten-day period, this matter shall be submitted to the Commission for its decision.

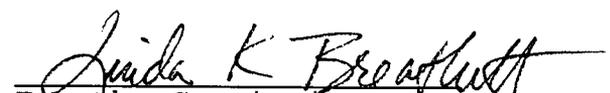
Done at Frankfort, Kentucky, this 21st day of February, 1996.

ATTEST:



Executive Director

PUBLIC SERVICE COMMISSION



For the Commission