

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MARK A. HENSLEY)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 98-126
)	
MCKINNEY WATER DISTRICT)	
)	
DEFENDANT)	

ORDER

On February 23, 1998, Mark A. Hensley filed a formal complaint against McKinney Water District ("McKinney Water"). Mr. Hensley stated that the meter which serves his property is across a state highway and that the service line running from the meter to his home lies under that road. He also stated that the water main is located in his yard along with a fire hydrant. Not wanting to be responsible for a service line underneath the road, he requested that the meter be moved by McKinney at no expense to him.

Pursuant to the Commission's March 18, 1998, Order to satisfy or answer the complaint, McKinney Water filed an answer denying Mr. Hensley's request. In its answer to the complaint, McKinney contended that it was willing to install new service for Mr. Hensley at the tariffed rate of \$400.00.

On June 9, 1998, a public hearing was held at the Commission's offices. Based upon the record submitted to it, the Commission issued a final order on August 12, 1998. The Order required McKinney Water to "furnish and install at

its expense a service connection from the existing tap on its distribution main to a point of service located at or near" Mr. Hensley's property line. The Order gave McKinney Water the choice of installing either a new meter and meter box or relocating the existing meter. The Order also specified that Mr. Hensley was to be responsible for furnishing and laying the necessary pipe to make the connection from the point of service to the place of consumption.

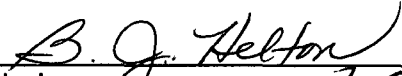
On September 1, 1998, McKinney Water filed a Request for Rehearing in this case. Although McKinney Water did not raise new issues with regard to the facts of the complaint, it has set forth new issues of law to be determined by the Commission. McKinney Water requested the Commission to determine whether McKinney Water is permitted to charge a "tapping fee" pursuant to KRS 278.0152 as stated in 807 KAR 5:066, Section 12(a), Service Connections. McKinney Water also requested the Commission to consider the application of the conflicts provision established by Section 3 of its approved tariff of rates, rules, and regulations. That provision states that if there is a conflict between the utility's tariff and Commission regulation 807 KAR 5, the latter will prevail.

The Commission, having considered the request and having been otherwise sufficiently advised, HEREBY ORDERS that:

1. McKinney Water's Request for Rehearing is granted.
2. Within 30 days of the date of this Order, the parties shall file comments on the issues of law raised by the Request for Rehearing and outlined above.

Done at Frankfort, Kentucky, this 21st day of September, 1998.

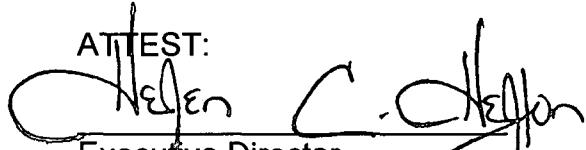
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director