

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE CONTRACT FILING OF LAUREL COUNTY	)	
WATER DISTRICT NO. 2 WITH LAUREL COUNTY	)	CASE NO.
FISCAL COURT TO ASSIST IN BILLING AND	)	2000-440
COLLECTION FOR THE NORTHLAND SEWER	)	
COMPANY	)	

O R D E R

On September 22, 2000, the Commission suspended the terms of the contract of Laurel County Water District No. 2 ("Laurel District") pursuant to which Laurel District will bill for sewer services provided by Northland Sewer Company ("Northland"). Due to Northland's financial and operational problems, Laurel County Fiscal Court ("Fiscal Court") is presently operating Northland pursuant to an inducement agreement dated June 14, 2000. In its filing of August 18, 2000, Laurel District requested the Commission permit it to act as a billing and collection agent for the Fiscal Court on a short-term emergency basis.

The Commission finds that the public interest is served by the implementation of Laurel District's proposed contract for billing and collection services. Moreover, given the financial difficulties presented to the Fiscal Court by the operation of Northland, Laurel District should be granted its requested deviation from 807 KAR 5:006, Section 14, so that it may terminate service to customers who fail to pay for sewer services.

The contract provided that the sewer customers who are currently charged a flat monthly rate of \$14.85 would pay the same rate as the water rate currently charged by Laurel District. The contract additionally provided for Laurel District to assess a

reconnection fee of \$20, a residential deposit of \$30, a commercial deposit of \$60, and a field trip charge of \$10 per trip.

The Commission finds that Laurel District should charge the monthly fee currently set forth in Northland's approved tariff on file with the Commission. At such time as Fiscal Court desires to increase the sewer rate or certain nonrecurring charges, it should file a revised tariff and cost justification for the proposed rate, along with verification that each sewer customer has received a typewritten notice by mail of the increase pursuant to KRS 278.185.

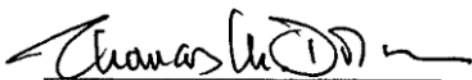
IT IS THEREFORE ORDERED that:

1. Laurel District may bill for sanitary sewer services at the rate currently set forth in the rate schedules of Northland.<sup>1</sup>
2. Laurel District is permitted to deviate from 807 KAR 5:006, Section 14, and may terminate water service of any customer who fails to pay for sewer services provided by Fiscal Court.
3. A copy of this Order shall be served upon the County Judge/Executive and the County Attorney of Laurel County.

Done at Frankfort, Kentucky, this 13<sup>th</sup> day of December, 2000.

By the Commission

ATTEST:



Executive Director

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<sup>1</sup> A copy of Northland Sewer Company's filed rate schedule is attached as Exhibit A.