

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF)
SOUTH WOODFORD WATER)
DISTRICT PROPOSING) CASE NO. 8521
INCREASED METER)
CONNECTION CHARGES)

O R D E R

On September 14, 1981, South Woodford Water District ("South Woodford") filed a tariff with the Commission proposing to increase meter connection charges. Correspondence between the Commission staff and South Woodford resulted in several resubmissions of the tariff, the last occurring on April 27, 1982. On May 19, 1982, the Commission issued a Show Cause Order requiring South Woodford to obtain competitive bids for meter connections and suspended South Woodford's tariff for 5 months pursuant to KRS 278.190. On June 6, 1982, a hearing was held to allow South Woodford to present evidence concerning the cost of meter connections.

On September 3, 1982, the Commission issued an Order stating that evidence filed at the hearing was inadequate to render a final decision in the case and ordered additional cost information. On September 29, 1982, South Woodford filed additional information.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. South Woodford failed to comply with the Commission's Order of May 19, 1982, requiring competitive bids from at least three different contractors for meter connections. South Woodford filed one bid for a 3/4-inch meter connection, one bid for a 1-inch meter connection, and three affidavits from contractors declining to bid.

2. South Woodford's response to the Commission's information request of September 3, 1982, is inadequate in that it is a restatement of cost data previously filed and results in meter connection expense greater than that obtained from the competitive bids filed at the hearing. The Commission is of the opinion that the data concerning meter connection expense overstates materials, labor, and equipment costs due to the inclusion of an added expense for trenching and setting meters expected in the service area because of widespread subsoil rock.

3. Meter connection charges should reflect the average cost of installation, apart from the extraordinary expense of rock removal or other extraordinary expenses.

4. South Woodford's proposed meter connection charges are excessive and should be denied.

5. Because South Woodford has provided inadequate information on which to base charges, South Woodford's meter connection charges should be based on a representative average of charges made by other water districts plus a rock clause to compensate for the expense of rock removal whenever it is required.

IT IS THEREFORE ORDERED that South Woodford's proposed meter connection charges be and they hereby are denied.

IT IS FURTHER ORDERED that South Woodford's meter connection charges shall be based on a representative average of charges made by other water districts, as approved by the Commission and stated in Appendix A.

IT IS FURTHER ORDERED that South Woodford shall implement a rock clause applicable to meter connections involving rock removal. The clause shall be as authorized in Appendix A.

IT IS FURTHER ORDERED that within 20 days from the date of this Order South Woodford shall file revised tariffs with the Commission stating the rates and regulation contained in Appendix A.

Done at Frankfort, Kentucky, this 19th day of October, 1982.

PUBLIC SERVICE COMMISSION

Did Not Participate
Chairman

Katherine Randall
Vice Chairman

Tom Carigan
Commissioner

ATTEST:

Secretary

APPENDIX A

The following rates and regulation are prescribed for the customers in the area served by South Woodford Water District in Kentucky. All other rates and regulations not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order

Meter Connection Charges

<u>Meter Size</u>	<u>Non-Recurring Charge</u>
5/8-inch x 3/4-inch	\$400
1-inch	450

Meter connections greater than 1-inch shall be installed at actual cost.

Rock Clause

An additional charge shall be made for meter connections where rock is encountered, such rock condition being defined as limestone or other hard stratified material in a continuous volume of at least one cubic yard or more and which cannot be removed using ordinary excavation equipment. The charge shall be applied per linear trench foot and shall not exceed the actual cost of excavation.