



PEAKS MILL WATER DISTRICT
7165 US 127 NORTH
FRANKFORT, KY 40601
502-227-5740

February 12, 2024

Ms. Linda Bridwell
Executive Director
Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

RE: Case No. 2023-00401
Peaks Mill Water District
Revision to Tap Fee Justifications

Dear Ms. Bridwell:

Enclosed for filing in the referenced case are Peaks Mill Water District's revised Tap Fee Justifications previously provided as part of the responses to Kentucky Public Service Commission staff's first Request for Information.

The Tap Fee Justification form submitted on January 11, 2024, was based upon an average cost of short and long services of \$3,509.44 and requested a tapping fee of \$3,500.00 for 3/4-inch service taps. After further consideration and review of the new service taps installed in 2022 and 2023, Peaks Mill Water District believes that a service tap fee based on the average cost of short and long services may not be fair, just, and reasonable.

Peaks Mill Water District is a small water system serving rural Franklin and Owen Counties. The area served has significant elevation changes in the Elkhorn Creek and Kentucky River watershed. Many roads are narrow with rock outcroppings and the roads run parallel to creeks and streams with steep terrain. The water mains were typically installed on the high and open side of the roadway, where home building is more feasible.

In 2022 and 2023, a total of 22 services were installed with 16 services identified as short (72%) and 6 identified as long (28%). A review of these service installations shows that long side

services were significantly more expensive due to length, rock, boring and terrain. Therefore, Peaks Mill Water District requests that the tapping fee of for 3/4-inch service taps be bifurcated into two different fees:

1. A tapping fee for 3/4-inch short-side service taps of \$2,500.00 based upon an average cost of \$2,502.62 (see attached Exhibit 10A).
2. A tapping fee for 3/4-inch long-side service taps based on actual cost with a deposit of \$4,500.00 based upon an average cost is \$4,516.25. The final cost to the customer will be adjusted up or down to actual cost of installation (see attached Exhibit 10B).

In addition, Peaks Mill requests that 1" and larger services (short and long) be installed at actual cost with a deposit based upon on an estimate of the service installation. The final cost to the customer will be adjusted up or down to the actual cost of installation.

Sincerely,



Church Quarles
Chairman
Peaks Mill Water District

Cc: Bob Miller – StraightLine
Greg Heitzman – BlueWater Kentucky

Attachments:

Exhibit 10A – Short Side Tap Fee Cost
Exhibit 10B – Long Side Service Tap Fee Cost