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SEP 19 2007
PUBLIC SERVICE
COMMISSION

Dear Ms. Gale:

Because Case No. 2007-00131 is pending before the Kentucky Public Service Commission, it is impermissible for the PSC or its staff to discuss the PSC's review of this matter or its possible outcome. However, your comments will be placed into the case file for the Commission's consideration as it deliberates in this matter. Please reference the case number in future correspondence so that it might be routed correctly.

In general, extensions of water service are paid for in one of the following three ways (keeping in mind the utility pays for the first 50 feet per customer):

1. Full payment up front from the customer
2. A monthly surcharge for the customers receiving the new service - this is what is proposed and at issue in this case - requires PSC approval
3. The utility pays the full cost up front and recovers its costs from the customers, with interest, via a monthly charge - which is a low-interest loan arrangement that appears to be just like the surcharge, but differs in several respects:
 - It is generally part of the utility's tariff, which means it is an arrangement available to all customers within the service territory, rather than set up on surcharge-by-surcharge basis
 - Requires only the PSC review of the initial tariff, rather than each surcharge
 - When the property changes hands, the unpaid balance on the loan is due at that time – I believe the surcharge stays with the property, rather than the property owner

The first and third of these seem to be the most common practices. You could certainly inquire of the water district whether they would consider the low-interest loan arrangement, but it is at a utility's discretion which one of these it chooses to use

Thank you for your interest.

Andrew Melnykovich
Director of Communications
Kentucky Public Service Commission
(502) 564-3940 x 208

From: PSC - Public Information Officer
Sent: Wednesday, September 19, 2007 12:18 PM
To: Melnykovich, Andrew (PSC)
Subject: FW: City Water

From: Anita Gale[SMTP:~~AMELNYKOVICH@PSC.KY.GOV~~]
Sent: Wednesday, September 19, 2007 12:17:10 PM
To: PSC - Public Information Officer
Subject: City Water
Auto forwarded by a Rule

Dear Beth O'Donnell,

It's great to finally get city water in our neighborhood. I'm glad most of the digging and constructions is over. I've put my front yard garden on hold waiting for this to happen.

I heard from my neighbor that we have to pay \$7,750.00 to tap into the new line. The Northern Kentucky Water District expects us to be able to pay this upfront before allowing us to hook up. In my opinion, that is a large amount to pay and we are already paying \$6000.00 for a sewer line that was installed several years ago.

I don't understand why there is only one payment plan involved with the NKY Water District. Is there anything that can be done to allow us to pay on a monthly basis?

Is there really no grant for our street to pay any of the bill for the new water pipe?

Anita Gale
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Erlanger, KY 41017

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