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November 19, 2008

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PUBLIC SERVICE  
COMMISSION

Stephanie Stumbo, Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602

2008-00478

In RE: Application for Non-Recurring Charge Increase  
Southern Madison Water District

Dear Ms. Stumbo:

I am the attorney for Southern Madison Water District (Southern Madison), and this is an application to make tariff revisions for certain non-recurring charges as listed in the enclosed tariff sheet and as defined in 807 KAR 5:006, Section 8. In support of its application, Southern Madison states as follows:

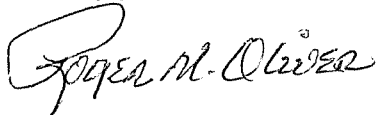
- ✓ Cost justification forms are included for each quantified rate proposed which show a full description of the equipment or service provided. The proposed rates cover incremental costs and a reasonable contribution to overhead.
- ✓ A copy of a public notice that will be published in the newspaper for three (3) consecutive weeks before the new rates are imposed, which we propose to be January 1, 2009.
- ✓ A copy of this filing has been mailed to the Attorney General's Consumer Protection Division at 700 Capital Avenue, Suite 118, Frankfort, KY 40601.
- ✓ Southern Madison has not filed a general rate case since 1994. Since that time, the costs of performing the services associated with the non-recurring charges proposed have increased dramatically. Southern Madison has been absorbing the increased costs incurred for the listed non-recurring charges and cannot afford to wait for its next general rate case.
- ✓ The group of customers impacted by the proposed increases will be those who cause Southern Madison to incur the expense. It is unfair for Southern Madison and all its customers to continue to absorb expenses attributable to specific customers.

Stephanie Stumbo, Executive Director  
November 19, 2008  
Page Two

- ✓ Southern Madison has previously filed income and balance sheet statements with the Public Service Commission. These statements are currently on file with the Commission.
- ✓ The additional revenue to be generated from the proposed tariff revisions will not exceed five (5) percent of the total revenues provided by all miscellaneous and non-recurring charges for 2007.
- ✓ Southern Madison has made no non-recurring filings since its last general rate case.

Should the Public Service Commission require additional information, please contact me.

Cordially yours,

A handwritten signature in cursive script that reads "Roger M. Oliver". The signature is written in black ink and is positioned above the printed name.

Roger M. Oliver

Enclosures  
RMO:lpr

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November 19, 2008

Office of the Attorney General  
Consumer Protection Division  
700 Capital Avenue, Suite 118  
Frankfort, KY 40601

In RE: Formal Application for Tariff Revisions

Dear Sir/Madam:

This letter shall serve as notice the Southern Madison Water District has filed an application with the Public Service Commission to revise its tariff to adjust certain non-recurring charges.

The District is not requesting a water rate increase at this time. However, increased costs attributable to certain non-recurring charges can no longer be absorbed by the District. The customers affected by these increases will be the customers that cause the District to incur these additional expenses.

The District will publish a public notice of these rate revisions for three consecutive weeks subsequent to approval by the PSC and prior to the imposition of the new rates. You will find a copy of the District's filing with the PSC enclosed.

Cordially yours,



Roger M. Oliver

Enclosures  
RMO:lpr

FOR: SOUTHERN MADISON COUNTY, Berea, Ky.

P.S.C. KY. NO. \_\_\_\_\_

SOUTHERN MADISON WATER DISTRICT

Sixth Revised SHEET NO. 3

CANCELLING P.S.C. KY. NO. 94-150

Fifth Revised SHEET NO. 3

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SECTION I: RATES AND CHARGES

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C. NON-RECURRING CHARGES (As Defined in 807 KAR 5:006, Section 8)

1. Meter Tap-On Charges	
5/8 - Inch	\$700.00
All Larger Meters	Actual Cost
2. Turn On, Field Collection, Meter Reread, Service Call	30.00
3. Meter Test for 5/8" x 3/4" and 1"	56.00
Meter Test for 1 1/2" and Larger	Actual Cost
4. Reconnection/Service Call After Hours	\$38.50
5. Returned Check/Bank Draft Charge	\$25.00
6. Late Payment Penalty	10%
7. Meter Relocation	Actual Cost
8. Damage to Meter Lid, Setter, Meter Lock or Meter Service	Actual Cost

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DATE OF ISSUE \_\_\_\_\_

DATE EFFECTIVE \_\_\_\_\_

ISSUED BY  \_\_\_\_\_

TITLE Chairman \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

**AVERAGE METER CONNECTION EXPENSE  
COST JUSTIFICATION**

Name of Utility Southern Madison Water District

The following is an itemization of expenses for providing a metered service connection.

**A. Meter Size**

5/8-Inch     3/4-Inch     1-Inch     1 1/2 -Inch     2-Inch

Other (specify) \_\_\_\_\_

**B. Materials Expense**

		<u>Unit Quantity</u>	<u>Cost</u>	<u>Total Cost</u>
1.	Water Meter	1	\$ 52.00	\$ 52.00
2.	Meter Yoke	1	\$ 80.88	\$ 80.88
3.	Corporation Stop	1	\$ 18.81	\$ 18.81
4.	Meter Box and Top	1	\$ 69.51	\$ 69.51
5.	Miscellaneous Fittings			\$ 3.21
6.	Other (Itemize)			
	<u>Tap Saddle</u>	<u>1</u>	<u>\$30.80</u>	<u>\$ 30.80</u>
	_____			
	_____			
	<b>TOTAL MATERIALS EXPENSE</b>			<b>\$ 255.21</b>
	(Add total cost)			

**C. Service Pipe Expense**

Type of Service Pipe	Poly	Size of Service Pipe ¾"	<u>Unit Quantity</u>	<u>Cost</u>	<u>Total Cost</u>
1.	Short Side Service		10'	\$ .20	\$ 2.00
2.	Long Side Service		50'	\$ .20	\$10.00
AVERAGE SERVICE PIPE EXPENS (Add total cost and divide by 2)					\$ 6.00

**D. Installation Labor Expense**

		<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1.	Short Side Service	3	\$ 42.00	\$ 126.00
2.	Long Side Service	5	\$ 42.00	\$ 210.00
AVERAGE INSTALLATION LABOR EXPENSE (Add total cost and divide by 2)				\$ 168.00

**E. Installation Equipment Expense**

		<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1.	Short Side Service	3	\$ 30.00	\$ 90.00
2.	Long Side Service	5	\$ 42.00	\$ 210.00
AVERAGE INSTALLATION EQUIPMENT EXPENSE (Add total cost and divide by 2)				\$ 150.00

**F. Installation Miscellaneous Expense**

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection	1	\$ 40.00	\$ 40.00
2. Site Clean-Up	1	\$ 60.00	\$ 60.00
3. Other			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
AVERAGE INSTALLATION MISCELLANEOUS EXPENSE (add total cost)			\$ <u>100.00</u>

**G. Overhead Expense**

1. Installation expense (\$\_\_\_\_\_) times  
     Overhead rate (\_\_\_\_%) \$\_\_\_\_\_

**H. Administrative Expense**

1. Office expense for establishing a new account  
     And billing record. \$ 20.00

**I. Total Expenses**

Materials Expense	\$ <u>255.21</u>
Service Pipe Expense	\$ 6.00
Installation Labor Expense	\$ 168.00
Installation Equipment Expense	\$150.00
Installation Miscellaneous Expense	\$100.00
Overhead Expense	\$
Administrative Expense	\$ 20.00

**TOTAL CONNECTION EXPENSE \$ 699.21**  
**(\$ 700.00)**

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Connection/Turn On, Field Collection, Meter Reread, Service Call

### 1. Field Expense:

A.	Materials (Itemize)	
B.	Labor (Time and Wage)	
	1 hr. @ \$15.00	\$15.00
	<b>Total Field Expense</b>	<b>\$15.00</b>

### 2. Clerical and Office Expense

A.	Supplies	\$ 1.00
B.	Labor	\$ 4.00
	<b>Total Clerical and Office Expense</b>	<b>\$ 5.00</b>

### 3. Miscellaneous Expense

A.	Transportation	\$ 10.00
	<b>Total Miscellaneous Expense</b>	<b>\$ 10.00</b>
	<b>Total Nonrecurring Charge Expense</b>	<b>\$ 30.00</b>



## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Meter Test for 5/8" X 3/4" and 1"

1. Field Expense:

A.	Materials (Itemize)	
B.	Labor (Time and Wage)	
	2 hr's @ 15.00	\$ 30.00
	<b>Total Field Expense</b>	<b>\$ 30.00</b>

2. Clerical and Office Expense

A.	Supplies	\$ 1.00
B.	Labor	\$ 5.00
	<b>Total Clerical and Office Expense</b>	<b>\$ 6.00</b>

3. Miscellaneous Expense

A.	Transportation	\$ 20.00
	<b>Total Miscellaneous Expense</b>	<b>\$ 20.00</b>

**Total Nonrecurring Charge Expense** **\$ 56.00**

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Reconnection /Service Call after hours

1. Field Expense:

A. Materials (Itemize)

B. Labor (Time and Wage)

1 hr @ 22.50 \$ 22.50

**Total Field Expense \$ 22.50**

2. Clerical and Office Expense

A. Supplies \$ 1.00

B. Labor \$ 5.00

**Total Clerical and Office Expense \$ 6.00**

3. Miscellaneous Expense

A. Transportation \$ 10.00

**Total Miscellaneous Expense \$ 10.00**

**Total Nonrecurring Charge Expense \$ 38.50**

## NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Returned Check / Bank Draft

### 1. Field Expense:

- A. Materials (Itemize)
  
  
- B. Labor (Time and Wage)

#### **Total Field Expense**

### 2. Clerical and Office Expense

- A. Supplies \$ 1.00
- B. Labor \$ 14.00
- Total Clerical and Office Expense \$ 15.00**

### 3. Miscellaneous Expense

- A. Transportation
- B. Other – Bank Charge \$ 10.00

#### **Total Miscellaneous Expense \$ 10.00**

**Total Nonrecurring Charge Expense \$ 25.00**

## PUBLIC NOTICE

Southern Madison Water District has filed an application with the Public Service Commission to make the following revisions to its schedule of non-recurring charges. The proposed effective date for the change will be January 1, 2009.

<u>NON-RECURRING CHARGES:</u>	<u>CURRENT</u>	<u>PROPOSED</u>
1. Meter Tap-On Charges- 5/8" Meter	417.00	700.00
1a. All Larger Meters	417.00	Actual Cost
2. Turn On, Field Collection, Meter Reread, Service Call	-0-	30.00
3. Meter Test for 5/8" x 3/4" and 1" Meters	-0-	56.00
3a. Meter Test for 1 1/2" and Larger	-0-	Actual Cost
4. Reconnection/Service Call After Hours	-0-	38.50
5. Returned Check/Bank Draft Charge	10.00	25.00
6. Late Payment Penalty	10%	10%
7. Meter Relocation	-0-	Actual Cost
8. Damage-Meter Lid, Setter, Meter Lock or Meter Service	-0-	Actual Cost

The rates contained in this notice are the rates proposed by the Southern Madison Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic, or person may, by motion within thirty (30) days after publication of this rate change, request leave to intervene; and the motion shall be submitted to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application and related filings by contacting the water district.

Southern Madison Water District has available for inspection at its office the proposed changes to its Rules and Regulations. The office is located at 207 North Dogwood Drive, Berea, Kentucky 40403.

This notice is published pursuant to 807 KAR 5:011-Tariffs.