

Laurel County Water District No. 2

THIRTY NINE TEN SOUTH LAUREL RD.

London, Kentucky 40744

PHONE 606/878-2494



May 19th, 2009

2009-00192

Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

RECEIVED

MAY 20 2009

PUBLIC SERVICE
COMMISSION

Office of the Attorney General
Rate Intervention Division
100 Perimeter Park
Frankfort, KY 40602

RE: Formal Application for Increase in Non-recurring Charges

This is an application to revise language, leak adjustment policy and certain non-recurring charges for the Laurel County Water District #2. Attached are the non-recurring charge cost justifications, proposed new tariff sheets and customer notice.

Laurel Co Water District #2 is not requesting a water rate increase at this time. However, the District can no longer absorb increased costs attributable to certain non-recurring charges. The customers affected by these increases will be the customers that cause the District to incur these additional expenses.

The Water District has previously filed income statements and balance sheets with the Public Service Commission. These income statements and balance sheets are currently on file with the Public Service Commission.

The District has published the enclosed public notice of these requested rate revisions in the local newspaper. An affidavit from the newspaper verifying that the notice was published for three consecutive weeks will be forwarded to you.

A copy of this application and related filings has been given to the Office of the Attorney General, 100 Perimeter Park Frankfort, and KY 40601.

Very truly yours,

Handwritten signature of David Hughes.

David Hughes
General Manager

shing, 115 CVB
 Drive, London
 across from State
 Police Post).

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NOTICE

Laurel Co. Water District #2 has filed an application with the Public Service Commission that proposes to make the following revisions to its schedule of non-recurring charges.

Charge	Current	Proposed
Connection/Reconnection	\$20.00	\$50.00
After Hours Reconnection	\$30.00	\$75.00
Meter Test	\$15.00	\$25.00
Returned Check	\$15.00	\$35.00
Connection Fee 5/8 x 3/4 inch meter	\$300.00	\$525.00
Additional Trip Charge	\$10.00	\$25.00
Residential/Commercial Meter Deposits		
5/8 x 3/4 inch meter	\$30.00	\$50.00
Commercial Meter Deposits		
1 inch or larger	\$60.00	\$150.00

The rates contained in this notice are the rates proposed by **Laurel Co Water District #2**. However, the Public Service Corporation 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 the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P.O. 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 testimony by contacting the District at **3910 South Laurel Road, London, Kentucky 40744 (606) 878-2494**. A copy of the application and testimony shall be available for public inspection at the District's office.

This notice is published pursuant to 807 KAR 5:011 Section 8 - Notices.

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NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Meter Test

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>1 Employee</u>	<u>25.00</u>
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Total Field Expense \$ 25.00

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor _____

Total Clerical and Office Expense \$ 0.00

3. Miscellaneous Expense

A. Transportation \$ 0.00

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense \$ 0.00

Total Nonrecurring Charge Expense \$ 25.00

USE THIS AMOUNT \$ 25.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Return Check Fee

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>1 Employee 1/2 hour</u>	<u>12.50</u>
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Total Field Expense \$ 12.50

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor 6.25

Total Clerical and Office Expense \$ 6.25

3. Miscellaneous Expense

A. Transportation \$ 20.00

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense \$ 20.00

Total Nonrecurring Charge Expense \$ 38.75

USE THIS AMOUNT \$ 35.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Meter Deposit 3/4" (Residential)

1. Field Expense:

A. Materials (Itemize)

<u>2 X Standard 5000 gal water usage \$25.08</u>	<u>\$ 50.16</u>
_____	_____
_____	_____

B. Labor (Time and Wage)

Total Field Expense **\$ 50.16**

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor _____

Total Clerical and Office Expense **\$ 0.00**

3. Miscellaneous Expense

A. Transportation \$ _____

B. Other (Itemize)

Total Miscellaneous Expense **\$ 0.00**

Total Nonrecurring Charge Expense **\$ 50.16**

USE THIS AMOUNT **\$ 50.00**

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Trip / Re-read

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>1 Employee (1 hour)</u>	<u>25.00</u>
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Total Field Expense \$ 25.00

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor _____

Total Clerical and Office Expense \$ 0.00

3. Miscellaneous Expense

A. Transportation \$ 20.00

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense \$ 20.00

Total Nonrecurring Charge Expense \$ 45.00

USE THIS AMOUNT \$ 25.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Disconnect/Reconnect (Service Charge)

1. Field Expense:

A. Materials (Itemize)	
_____	\$ _____
_____	_____
_____	_____
B. Labor (Time and Wage)	
1 Employee (1hour)	25.00
Total Field Expense	\$ 25.00

2. Clerical and Office Expense

A. Supplies	\$ 2.00
B. Labor	6.25
Total Clerical and Office Expense	\$ 8.25

3. Miscellaneous Expense

A. Transportation	\$ 20.00
B. Other (Itemize)	
_____	_____
_____	_____
_____	_____
Total Miscellaneous Expense	\$ 20.00

Total Nonrecurring Charge Expense \$ 53.25

USE THIS AMOUNT \$ 50.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: After Hours service Charge

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>Minimum 2 hours @ 1.5 x pay rate 25.00 hr.</u>	<u>75.00</u>
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Total Field Expense	\$ <u>75.00</u>
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2. Clerical and Office Expense

A. Supplies

\$ _____

B. Labor

Total Clerical and Office Expense	\$ <u>0.00</u>
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3. Miscellaneous Expense

A. Transportation

\$ 20.00

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense	\$ <u>20.00</u>
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Total Nonrecurring Charge Expense	\$ <u>95.00</u>
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USE THIS AMOUNT	\$ <u>75.00</u>
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**AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION**

Name of Utility Laurel Co. Water District #2

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	<u>1</u>	<u>35.50</u>	<u>35.50</u>
2. Meter Yoke	<u>1</u>	<u>50.50</u>	<u>50.50</u>
3. Corporation Stop	<u>1</u>	<u>21.21</u>	<u>21.21</u>
4. Meter Box and Top	<u>1</u>	<u>29.62</u>	<u>29.62</u>
5. Miscellaneous Fittings	<u>1</u>	<u>20.75</u>	<u>20.75</u>
6. Other (Itemize)			
<u>Saddle</u>	<u>1</u>	<u>33.33</u>	<u>33.33</u>
_____	_____	_____	<u>0.00</u>
_____	_____	_____	<u>0.00</u>
TOTAL MATERIALS EXPENSE			<u>\$ 190.91</u>
(add total cost)			

C. Service Pipe Expense

Type of Service Pipe Poly. w/tracer wire Size of Service Pipe 3/4

	<u>Unit Quantity</u>	<u>Cost</u>	<u>Total Cost</u>
1. Short Side Service	<u>25.00</u>	<u>0.58</u>	<u>14.50</u>
2. Long Side Service	<u>50.00</u>	<u>0.58</u>	<u>29.00</u>
AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2)			\$ <u>21.75</u>

D. Installation Labor Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>2.00</u>	<u>75.00</u>	<u>150.00</u>
2. Long Side Service	<u>3.00</u>	<u>75.00</u>	<u>225.00</u>
AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2)			\$ <u>187.50</u>

E. Installation Equipment Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>2.00</u>	<u>70.00</u>	<u>140.00</u>
2. Long Side Service	<u>3.00</u>	<u>85.00</u>	<u>255.00</u>
AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2)			\$ <u>197.50</u>

F. Installation Miscellaneous Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection	<u>1.00</u>	<u>45.00</u>	<u>45.00</u>
2. Site Clean-Up	<u> </u>	<u> </u>	<u>0.00</u>
3. Other	<u> </u>	<u> </u>	<u> </u>
_____	<u> </u>	<u> </u>	<u>0.00</u>
_____	<u> </u>	<u> </u>	<u>0.00</u>
_____	<u> </u>	<u> </u>	<u>0.00</u>
AVERAGE INSTALLATION MISCELLANEOUS EXPENSE (add total cost)			<u>\$ 45.00</u>

G. Overhead Expense

1. Installation expense (\$ <u>212.66</u>) times overhead rate (<u>5.00%</u>)	<u>\$ 10.63</u>
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H. Administrative Expense

1. Office expense for establishing a new account and billing record.	<u>\$ 25.00</u>
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I. Total Expenses

Materials Expense	<u>\$ 190.91</u>
Service Pipe Expense	<u>21.75</u>
Installation Labor Expense	<u>187.50</u>
Installation Equipment Expense	<u>197.50</u>
Installation Miscellaneous Expense	<u>45.00</u>
Overhead Expense	<u>10.63</u>
Administrative Expense	<u>25.00</u>

TOTAL CONNECTION EXPENSE \$ 678.29

USE THIS AMOUNT \$ 525.00

FOR _____
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

(Name of Utility)

RULES & REGS

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

Form for filing Rate Schedules

FOR Southern Laurel County & West Knox County
Community, Town or City

Laurel Co. Water District #2
Name of Issuing Corporation

P.S.C. NO. _____
6th revision SHEET NO. 15
CANCELING P.S.C. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

RULES AND REGULATIONS

RATE
PER UNIT

27. Complaints

Complaints may be made to the operator of the system whose decision may be appealed to the Water District's Commissioners. Such appeal shall be in writing, in person or by telephone within ten (10) days of date of decision by operator, stating the nature of the complaint and support evidence. Decisions of the Water District's Commissioners or operator may be brought before the Public Service Commission in accordance with 807 KAR 5:001, Section 11 and 12.

28. Sale of Water

Water furnished by the Water District may be used for domestic consumption by the customer's household or business, subject to special service agreements. The customer shall not sell, donate, give or allow use of such water to any authorized or unauthorized party.

29. Special Charges

Special charges may be assessed to the customer for returned check, meter rereads, and meter tests at the specified charges shown below:

- A. A charge of \$35.00 will be made for each check returned to the Water District by the bank.
- B. A charge of \$25.00 will be made to reread a meter at the customer's request unless such reread reveals that the initial reading was erroneous. No charge shall be made if the initial reading was erroneous.
- C. A charge of \$25.00 will be made for a meter test when such test is made at the customer's request unless the meter is found to be faulty. No charge shall be made for a faulty meter, but appropriate adjustments shall be made in accordance with Section 14 of these Rules and Regulations.

30. Special User Agreements for Nonstandard Service

Each applicant for nonstandard service shall execute to the Water District an agreement for special service.

DATE OF ISSUE MAY 19, 2009
ISSUED BY [Signature]
Name of Officer

DATE EFFECTIVE July 1, 2009
TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____

Dated _____

Laurel Co. Water District #2
Name of Issuing Corporation

P.S.C. NO. _____
6th revision SHEET NO. 16
CANCELING P.S.C. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

RULES AND REGULATIONS

RATE
PER UNIT

SCHEDULE OF SPECIAL CHARGES

The following charges for special services shall be made:

- A. Service Reconnection Charge. A charge of \$50.00 shall be made for all service reconnections made during regular working hours and a \$75.00 charge for reconnections requested and made during overtime hours and Holidays, except that there shall be no connection charges made for service on the original installation of facilities.
- B. Additional Trip Charge. A charge of \$25.00 shall be made for a trip to recheck a meter reading when the customer requests the meter to be rechecks for a correct reading and the meter was not misread, incorrect address given, to collect a bill, reinspection, etc.
- C. Meter Test. Upon request and payment of \$25.00 a customer may have his meter tested provided request by the customer is not more frequent than once each twelve months. If such test shows the meter to be more than two percent (2%) fast, a refund of the R15.00 charge shall be made and the bill adjusted accordingly. If the periodic testing requirement of 807 KAR 5:066 (17) has not been met for the meter tested, no charge will be made for the test regardless of the results of the test.
- D. PSC Meter Test Complaint. Any customer of the Water District may request a meter test by written application to the Kentucky Public Service Commission.
- E. Late Payment Penalty. A 10% penalty will be assessed to all bills not paid by the due date.
- F. Contribution in Aid of Construction. The established contribution fee is based on the size of the installed metering equipment as noted below:

5/8" x 3/4" meter	-	\$525.00
1" and larger meters	-	Actual Cost of Installation

DATE OF ISSUE MAY 19, 2009
ISSUED BY [Signature]
Name of Officer

DATE EFFECTIVE July 1, 2009
TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____ Dated _____

Laurel Co. Water District #2
Name of Issuing Corporation

P.S.C. NO. _____
6th revision SHEET NO. 19
CANCELING P.S.C. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE

RULES AND REGULATIONS

RATE
PER UNIT

- 4. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, the Water District will contact the customer by telephone or in writing to determine whether there have been changes such as different appliances, changes in business volume, or known leaks in the customer's service line.
- 5. Where the deviation is not otherwise explained, the Water District will test the customer's meter to determine whether it shows an average error greater than 2 percent (2%) fast or slow.
- 6. The Water District will notify the customer of the investigation, its findings, and any refunds or backbilling in accordance with 807 KAR 5:006 Section 10 (4) and (5).

In addition to the annual monitoring, the Water District will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

35. Equal Deposits

All customers will pay equal deposits in the amount of \$50.00 (Residential). This amount is equal to 2x's standard 5000 gal. water usage and \$150.00 (Commercial). This amount is equal to 2 x's standard 20000 gal. water usage.

36. Interest on Deposits

The deposit will be placed in an interest bearing account by the Water District labeled Meter Deposits and the Water District will pay interest to the customers according to the rate of interest accrued on the account.

37. Leak Adjustment

The Water District provides one leak adjustment per every five years for its customers.

A Customer who has met the permit requirements for installation and maintenance of their water system and has an unusually high water bill due to a leak can option at their discretion to use their leak adjustment. A recurring leak within the five year period will be the full responsibility of the customer.

DATE OF ISSUE MAY 19, 2009
ISSUED BY [Signature]
Name of Officer

DATE EFFECTIVE July 1, 2009
TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in
Case No. _____

Dated _____