

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF HARRISON)	
COUNTY WATER ASSOCIATION, INC. FOR)	CASE NO.
APPROVAL OF SEWER DISCONNECT)	2025-00181
CONTRACTS AND DEVIATION FROM 807 KAR)	
5:006 (14) AND (15))	

ORDER

On June 6, 2025, Harrison County Water Association, Inc. (Harrison County Water) filed an application requesting Commission approval of two sewer disconnect contracts – the first between Harrison County Water and Harrison County Sanitation District (Harrison County Sanitation) and the second between Harrison County Water and the city of Berry, Kentucky (Berry) (collectively, the Agreement(s)) that would allow Harrison County Water to disconnect water service to Harrison County Sanitation and Berry customers for failure by the customer(s) to pay their monthly sewer bill.¹ The proposed contracts reflect a service fee of \$50 for Harrison County Water to reconnect water service to the customers of Harrison County Sanitation and Berry, which would be an increase from the \$42 service fee that was previously approved in the Service Agreement between Harrison County Water and Harrison County Sanitation that was made effective on September 15, 2016.² The Commission suspended the proposed

¹ Application (filed June 6, 2025), Exhibits A and B.

² Harrison County Water and Harrison County Sanitation Service Agreement effective Sept. 15, 2016.

Agreements on July 2, 2025, for five months, up to and including December 5, 2025.³ Harrison County Water responded to two requests for information from Commission Staff. There are no intervenors in this matter. The matter stands ready for a decision on the record.

LEGAL STANDARD

Harrison County Water is an association formed for the purpose of furnishing water or sewer services to the general public pursuant to KRS Chapter 273, and is thus a public utility subject to the jurisdiction of the Public Service Commission.⁴ KRS 278.030(1) states that every utility may demand, collect and receive fair, just and reasonable rates for the services rendered by it to any person.⁵ KRS 96.932 and KRS 96.934 grant a city the power to issue orders to water suppliers to discontinue service to any person who is delinquent in paying sewer charges.⁶ Furthermore, KRS 220.510 permits a sanitation district to notify the municipality, or person, firm, or corporation, which furnishes water, to shut off the water service to a user's premises for failure by the user to pay for sewer services, and the water provider may charge a reasonable fee for turning off and on the water service.⁷ Lastly, for special contracts, a utility must establish that the extra revenue

³ Order (Ky. PSC July 2, 2025) at 4.

⁴ KRS 278.012.

⁵ KRS 278.030(1).

⁶ KRS 96.932 and KRS 96.934.

⁷ KRS 220.510(1).

from the special contract will cover the variable costs and make a contribution to the fixed costs of serving the special contract customer.⁸

BACKGROUND

A similar contract executed between Harrison County Water and Harrison County Sanitation that provided a service fee for Harrison County Water to disconnect or reconnect water service to Harrison County Sanitation customers was accepted by the Commission and made effective on September 15, 2016.⁹ This contract provided that Harrison County Water would receive the sum of \$42 for reconnection of water service.

The proposed preliminary Agreements in the instant matter provide that Harrison County Water will receive a sum of \$50 from either Harrison County Sanitation or Berry for all reconnection of water service to their respective customers. As part of its application, Harrison County Water provided its board resolution for establishing the contract for Harrison County Water to reconnect water service to the customers of Harrison County Sanitation and Berry for \$50 per reconnection,¹⁰ and Harrison County Water provided an affidavit from its manager, Nathan Fields, which stated that Harrison County Water performs approximately two total disconnects per month for delinquent sewer bills, or approximately forty-eight to fifty total disconnects per year for delinquent sewer bills.¹¹ Additionally, Harrison County Water provided cost justification for its

⁸ Case No. 2020-00023, *Application of Atmos Energy Corporation for Approval and Confidential Treatment of a Special Contract and Cost Analysis Information Submitted to the Kentucky Public Service Commission* (Ky. PSC Aug. 19, 2020), Order at 4-5.

⁹ Harrison County Water and Harrison County Sanitation Service Agreement effective Sept. 15, 2016.

¹⁰ Application, HCWA Resolution.

¹¹ Application, Exhibit C Affidavit of Manager.

requested increase from \$42 per reconnection to \$50 per reconnection.¹² The requested increase in the service fee from \$42 to \$50 was due to the miles needed to be driven to and from the customer's location to perform the service plus one hour of labor to disconnect or reconnect the water service itself.

DISCUSSION

Based on the evidence of record, the Commission concludes that the amounts used by Harrison County Water to calculate its proposed water service reconnection fee are reasonable. As noted above, Harrison County Water's proposed service fee increase was calculated based upon one hour of labor for a technician to provide the service and to account for the miles driven to and from the customer's location to provide the service. Furthermore, aside from the increase in the service fee, the Agreements mirror the terms and conditions of the contract that was previously accepted by the Commission between Harrison County Water and Harrison County Sanitation that became effective on September 15, 2016, the terms and conditions of which appear to be fair and reasonable.

Having considered the terms and conditions of both preliminary Agreements, the justification for the requested service fee increase, and all the evidence in the record, the Commission finds that both Agreements should be accepted.

IT IS THEREFORE ORDERED that:

1. The preliminary Agreement for Cut-Off Services of Water for Non-Payment of Sewer Bills executed between Harrison County Water and Harrison County Sanitation is reasonable and should be approved.

¹² Harrison County Water's Response to Commission Staff's First Request for Information (filed Aug. 12, 2025), Attachment A.

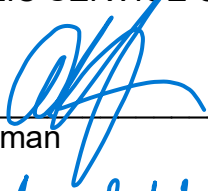
2. The preliminary Agreement for Cut-Off Services of Water for Non-Payment of Sewer Bills executed between Harrison County Water and Berry is reasonable and should be approved.

3. No further amendments or changes to these special contracts' service fees, terms, or conditions shall be instituted by Harrison County Water without first making application to the Commission and receiving approval.

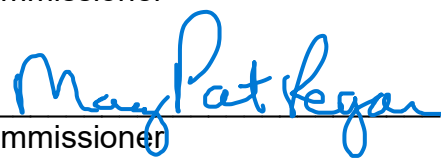
4. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



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