



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

March 2, 2006

TO: PARTIES OF RECORD
RE: Case No. 2005-00466
Edmonson County Water District

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to Robert Cowan at 502/564-3940.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

vh/
Enclosure

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2005-00466
FROM: Robert Cowan, Staff Attorney JKC
DATE: February 27, 2006
RE: Teleconference of February 23, 2006

Upon request of Commission Staff, a telephone conference was held on February 23, 2006. Participating were:

Nelson Sanders	-	Edmonson County Water District
Robert D. Meredith	-	Edmonson County Water District
David Spenard	-	Attorney General's Office
Eddie Beavers	-	Commission Staff
Robert Cowan	-	Commission Staff
Mark Frost	-	Commission Staff
John R. Geoghegan	-	Commission Staff
James Rice	-	Commission Staff
Gerald Wuetcher	-	Commission Staff

Beginning the conference, Mr. Wuetcher stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of these minutes would be provided to all parties, and that all parties would be given an opportunity to submit written comments upon those minutes.

Commission Staff expressed concern that Article II, §§ 1 and 3, Sheet 5, of the revised tariff ("Tariff"), implied that a water district customer could make a connection to the system. Part II - Rates, § 4, Sheet 18, suggested the contrary. Mr. Sanders stated that the District intended to limit to the water district only the right to make connections to the sewer system. The District agreed to revise Article II, §§ 1 and 3 to clarify that applicants or prospective customers could not make a connection to the system.

Commission Staff noted its concerns regarding Part II – Rates, § 2, Sheet 17, which presently states that any customer not connected to a municipal water supply would be billed at a rate that the District, "within its reasonable judgment, may determine from time to time." Commission Staff suggested the use of a more objective standard. Two primary options were discussed. The first option was to use the average monthly water usage of the District's particular customer class. The second option was for the customer or District to install a water meter, approved by the District, on the customer's well. The District's representatives preferred requiring the installation of a meter. They further stated that the District would be responsible for reading this meter. No participant objected to this arrangement.

Commission Staff requested clarification of the \$400 fee stated in Part II - Rates, § 2, Sheet 18, and its relationship to the \$463.58 fee shown on the attached Nonrecurring Charge Cost Justification – Sewer Tap-On Fee form. District officials stated that applicants should be required to pay the actual costs of the connection. When making an application for service, the applicant would be required to make an advance payment of \$400 towards the cost of the installation. When the District completes the connection, it would bill or refund the customer the difference between the actual cost of the connection and the \$400 advancement. Mr. Sanders and Mr. Meredith explained that the cost justification statement submitted in the District's supplemental filing was merely an example of the likely cost of a connection and was not intended to support a fixed rate or fee for connections.

Commission Staff noted that paragraph 4.B. of the District's cover letter accompanying the Tariff indicates that the District does not intend to charge both a \$35 water reconnect fee and a \$35 sewer reconnect fee since "the only justification for the reconnect fee would be bookkeeping expense" Commission Staff noted that, despite this disclaimer, Article V, § 2, Sheet 15, references both fees. The District's representatives stated that the sewer reconnection fee language should be removed. The conference call participants also discussed a provision in the same Section that permitted the District to disconnect the water and sewer services of a delinquent customer. The District's representatives stated that, in the event of nonpayment of sewer bills, only the customer's water service would be disconnected. They noted that, in the instance where a sewer customer did not also receive water service from the District, that customer's sewer service would be discontinued and the customer assessed a fee based upon the cost of disconnecting service. That customer would also be required to pay a reconnection fee in the event his or her service was eventually restored.

Commission Staff noted that the proposed application form requires proof of certification from the Division of Plumbing that an Inspection Certificate "has been obtained within ___ days" of a certification date. All participants agreed that the blank should be revised to "30" days.

Commission Staff noted that the second page of the proposed application states that "nonpayment within ___ days from the due date will result in the water being shut off." Referring to Part II – Rates, § 2, Sheet 17, the participants agreed that this blank should also be replaced with "30" days.

The District's representatives further agreed that the application provision that currently provides that "[T]he USER will also be required to pay all other delinquent accounts" should be revised to clearly reflect that a user would only be required "to pay all other delinquent amounts on that account."

The conference then adjourned.

cc: *Parties of Record*