

Proposed Policy

Water Line Extension Cost Recovery:

In accordance with KRS 96.539, FPB has adopted the following rules to govern extensions of service to unserved customers and areas as follows:

1. **Calculation of Cost:** FPB shall determine the total cost for a proposed distribution main extension (exclusive of service connections) and the total length of the extension. FPB shall pay that portion of the cost of the distribution main extension equal to one hundred (100) feet for each applicant for service.
2. **Payment of Cost:** The part of the cost not covered by FPB's portion shall be contributed by those applicants desiring a service connection on the distribution main extension.
3. **Other extensions:** The cost of any extension greater than one hundred (100) feet per applicant shall be subject to refund by FPB on a prorated basis for each additional customer whose service line is directly connected to the extension line paid for by the initial applicant or applicants.
4. **Prorated Amounts:** For a refund period of not less than ten (10) years from close out of the applicable work order, FPB shall refund to the customer or customers who paid for the excessive footage the cost of one hundred (100) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extension installed and not to extensions or laterals therefrom. Total amount refunded shall not exceed the amount paid to FPB. No refund shall be made after the refund period ends.
5. **Tap on Fees:** Each customer shall pay the approved tap-on fee applicable at the time of application for the meter connection. The tap-on fee shall not be considered part of the refundable cost of the extension and may be changed during the refund period. Likewise, costs for fire hydrants are not included in refundable amounts. Only costs directly related to installing the line are refundable amounts. After the ten (10) year refund period expires, any additional customer shall be connected to the extension for the amount of the approved tap-on fee and installation fees.
6. **Notification:** It shall be the responsibility of the customers that have contributed to the distribution main extension, which may be entitled to a refund, to notify FPB on the "change of address" form provided by FPB of the customer's current address and to request any refund. Refunds will be sent to the address of record and if returned will be kept by FPB until FPB is notified of a current address. Any refunds not claimed after ten (10) years shall become the property of FPB. The applicant may request that FPB calculate and issue a refund at anytime within the ten (10) year period.
7. **Application to Developers:** Nothing in this policy applies to contractors or developers, whether residential, commercial or otherwise, desiring a main extension to or within a proposed real estate subdivision or commercial development. No refunds shall be made to contractors or developers and, likewise, there is no refund to contractors or developers for customers within the

real estate subdivision or commercial development. A contractor or developer desiring a distribution main extension to or within a proposed subdivision or commercial development will be required to pay the entire cost of the extension.