

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|   |   |                     |
|---|---|---------------------|
| APPLICATION OF SEDALIA WATER DISTRICT   | ) |                     |
| FOR A DEVIATION FROM ADMINISTRATIVE     | ) | CASE NO. 2004-00083 |
| REGULATION 807 KAR 5:006, SECTION 13(1) | ) |                     |

ORDER

Sedalia Water District (“Sedalia District”) has applied to the Commission for a deviation from Administrative Regulation 807 KAR 5:006, Section 13(1), which requires a water utility with annual operating revenues of less than \$250,000 to make a “designated representative available during the utility's established working hours not fewer than seven (7) hours per day, one (1) day per week.”

Having carefully reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Sedalia District, a water organized pursuant to KRS Chapter 74, provides water service to 160 customers in Graves County, Kentucky.<sup>1</sup>
2. As of December 31, 2002, Sedalia District had net utility plant of \$49,324.<sup>2</sup>
3. For the year ending December 31, 2002, Sedalia District had total operating revenues of \$31,822, total utility operating expenses of \$33,000, and debt service payments of \$5,450.<sup>3</sup>

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<sup>1</sup> Annual Report of Sedalia Water District to the Public Service Commission for the year ended December 31, 2002 at 21.

<sup>2</sup> Id. at 7.

<sup>3</sup> Id. at 9.

4. Sedalia District has no employees, but contracts with local contractors to provide services.<sup>4</sup>

5. Sedalia District does not maintain an office. Jackson Purchase Meter Service, a local business concern, maintains Sedalia District's records. Karen Ballard, a Jackson Purchase Meter Service employee, houses the water district's records at her home.<sup>5</sup>

6. Sedalia District maintains a listing in the local telephone directory and publishes a telephone number on its billings for customer service information. This number forwards all telephone calls to the cellular telephone of Eric Young, who is Sedalia District's manager. When Mr. Young is unavailable to respond to telephone call, his voice mail messaging service instructs callers to leave a message or contact Karen Ballard.<sup>6</sup>

7. Sedalia District also maintains an electronic mail address through which customers may contact the utility.<sup>7</sup>

8. Sedalia District estimates the annual cost to maintain an office with a designated utility official for 7 hours weekly is approximately \$7,500.<sup>8</sup>

9. Neither the Commission nor Sedalia District has received any recorded complaints regarding Sedalia District's lack of an office.

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<sup>4</sup> Sedalia's Response to Commission Staff's Interrogatories and Request for Production of Documents, Item 1.

<sup>5</sup> Id. at Items 2 and 3.

<sup>6</sup> Id. at Item 5.

<sup>7</sup> Id. at Item 7.

<sup>8</sup> Id. at Item 9.

10. Given the cost of compliance with Administrative Regulation 807 KAR 5:006, Section 13(1), and Sedalia District's present financial condition, good cause exists to grant Sedalia District a deviation from that regulation for a limited period.

IT IS THEREFORE ORDERED that:

1. Subject to the conditions set forth in Ordering Paragraph 2 of this Order, Sedalia District is granted a deviation from the requirements of Administrative Regulation 807 KAR 5:006, Section 13(1) until June 1, 2007.

2. Sedalia District shall continue to maintain its current methods of receiving and responding to customer inquiries and service complaints. If Sedalia District changes its methods without Commission approval, the deviation shall immediately terminate.

Done at Frankfort, Kentucky, this 12<sup>th</sup> day of May, 2004.

By the Commission

ATTEST:



Executive Director