

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF GRAYSON COUNTY WATER)	
DISTRICT TO PROVIDE A ONE-TIME BILLING)	CASE NO.
REDUCTION PURSUANT TO KRS 278.170(2))	2009-00090
DUE TO THE ICE STORM)	

O R D E R

Grayson County Water District ("Grayson District") has applied for authorization to provide a one-time reduction of its rates for customers that had water leaks resulting from the harsh conditions of the ice storm that affected much of Kentucky during the late part of January 2009. Finding that the action in question is consistent with KRS 278.170(2), we grant the application.

Grayson District, a water district organized pursuant to KRS Chapter 74, produces and distributes water to approximately 6,181 customers in Grayson County.¹ It is a utility that is subject to Commission jurisdiction.²

Grayson District informs the Commission that many of its customers had water lines that froze and burst during the ice storm, causing unusually high levels of water usage. For customers that experienced significant leakage, Grayson District seeks to adjust bills and charge customers based on their normal usage plus \$2.00 per 1,000

¹ *Annual Report of Grayson County Water District to the Kentucky Public Service Commission for the Year Ended December 31, 2007* at 5 and 27.

² KRS 278.010(3)(d); KRS 74.015.

gallons for any additional water that passed through the customers' meters. The adjustment will only be made to customer bills that indicate a usage in excess of twice the average usage for the previous 12 months. Grayson District also states that it will inform all its customers about the possibility of an adjustment.

Grayson District's published rate schedules provide that the utility will not provide adjustments for leaks.³ KRS 278.160(2) prohibits a utility from charging or collecting "from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed rate schedules." KRS 278.170(2), however, permits a utility to "grant free or reduced rate service for the purpose of providing relief in the case of flood, epidemic, pestilence or other calamity."

The winter storm that occurred near the end of January 2009 ravaged much of the Commonwealth. Nearly one-third of Kentucky electric customers—769,353—were without power as a result of the storm, and approximately 200,000 water customers were under a boil water advisory in the wake of the storm.⁴ In response to the storm, Governor Beshear declared an emergency in approximately 100 of the 120 Kentucky counties, including Grayson County.⁵ In Grayson County, the water district reports that "countless folks" were forced to leave their homes because they were without power for as many as 19 days, and many water lines burst as a result of the freezing

³ Tariff of Grayson County Water District, Sheet No. 38 (effective Aug. 15, 2005).

⁴ See Ryan Alessi, *State of the Commonwealth: Beshear Urges Resourcefulness*, Lexington Herald-Leader, February 5, 2009, at D1.

⁵ Press Release, Governor Steve Beshear's Communication Office (Feb. 2, 2009), available at <http://migration.kentucky.gov/Newsroom/governor/20090202disaster.htm>.

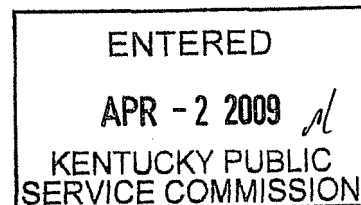
temperatures. The Commission finds that this is the type of calamity for which KRS 278.170(2) contemplates relief.

IT IS THEREFORE ORDERED that:

1. Grayson District is authorized to charge its customers that suffered water loss as a direct result of the winter storm at a rate of \$2.00 per 1,000 gallons for water usage that is in excess of the specific customer's average monthly usage for the past year for those customers that had at least twice the average monthly usage.

2. Except as expressly authorized, Grayson District shall not charge or receive a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed rate schedules.

By the Commission



ATTEST:



Executive Director

Kevin Shaw
Manager
Grayson County Water District
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