

Matthew G. Bevin
Governor

Charles G. Snavelly
Secretary
Energy and Environment Cabinet



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

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

January 23, 2018

PARTIES OF RECORD

Re: Case No. 2016-00424

Attached is a copy of a memorandum, which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

If you have any questions, please contact Brittany Koenig, Commission Staff Attorney, at 502-782-2591.

Sincerely,

A handwritten signature in blue ink that reads "Gwen R. Pinson".

Gwen R. Pinson
Executive Director

BHK/ph

Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2016-00424
FROM: Brittany Koenig, Staff Attorney
DATE: January 18, 2018
RE: Informal Conference of December 19, 2017

Pursuant to Commission Staff's ("Staff") Notice of Informal Conference ("IC") filed into the record on December 12, 2017, an IC was held in this matter on December 19, 2017. A copy of the sign-in sheet is attached. Jeff Reynolds of HMB Engineers, Pat Price and Vernon Barton representatives from Western Fleming County Water District. ("Western Fleming"), participated by telephone in the conference.

During the conference, Ms. Koenig stated that Staff would prepare minutes of the conference to enter in the case record, and that the parties would have an opportunity to submit written comments. Ms. Koenig stated that Staff is not a party to the case and the views of Staff are not binding on the Commission.

Staff stated the history of the case, recounting the Application filed by Western Fleming on December 6, 2016, deemed deficient and Western Fleming's Supplemental Request for Deviation entered on February 3, 2017, curing the deficiency. Notice of the informal conference was filed in the record on December 12, 2017. Staff and the parties discussed the reason for the informal conference was the record does not contain facts upon which the Commission could grant the requested deviation. Specifically, there were questions from Commission Staff regarding the amounts of the water usage reported and used in the calculations presented by Western Fleming in their Responses to Commission Staff's Second Request for Information ("Staff's Second Request").

The parties discussed the specific line items used by Western Fleming in their calculations for their Responses to Staff's Second Request and Western Fleming agreed to supplement their responses in an effort to provide a more accurate response. Western Fleming also agreed to supplement the reported water usage in their Annual Reports filed with the Commission. Finally, Western Fleming agreed to provide a clearer statement of their position that they should be granted a storage requirement deviation because Western Fleming's wholesale customers have adequate water storage to meet their customer demand. Western Fleming believes it should be granted a deviation from the storage requirements for the amount of water sold to its wholesale customers. Because this argument is one of first impression to Staff, and subsequently

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January 19, 2018
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the Commission, Staff recommended Western Fleming provide as much information as possible upon which the Commission could reasonably make a decision.

There being no further business, the informal conference adjourned.

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WESTERN FLEMING)
COUNTY WATER DISTRICT REQUESTING A)
DEVIATION FROM REQUIREMENTS OF 807) CASE NO.
KAR 5:066, SECTION 4(4)) 2016-00424
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)
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)
)

SIGN IN

December 19, 2017

PERSON

REPRESENTING

<u>Brittany H. Koenig</u>	<u>PSC</u>
<u>Eddie Beavers</u>	<u>PSC</u>
<u>Ariel Miller</u>	<u>PSC</u>
<u>John S. Lyons</u>	<u>PSC</u>
<u>Jeff Reynolds</u>	<u>HMB Engineers (by phone)</u>
<u>Pat Price</u>	<u>Western Fleming (by phone)</u>
<u>Vernon Barton</u>	<u>" " (by phone)</u>
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*Patrick E. Price
Suit, Price, Price & Ruark, PLLC Attorneys at Law
207 Court Square
Flemingsburg, KENTUCKY 41041

*Western Fleming County Water District
1500 Ewing Road
P. O. Box 16
Ewing, KY 41039

*Vernon Barton
Chairman
Western Fleming County Water District
1500 Ewing Road
P. O. Box 16
Ewing, KY 41039