

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

OLDHAM WOODS SANITATION, INC.)
REQUEST FOR DEVIATION FROM) CASE NO.
807 KAR 5:006 AND 807 KAR 5:011) 2017-00393

OLDHAM WOODS SANITATION, INC.'S ANSWERS

TO FIRST REQUESTS FOR INFORMATION

Oldham Woods Sanitation hereby provides the following information, under oath, in response to the First Requests for Information from the Public Service Commission and states any updated information will be provided in a timely fashion.

1. Refer to the Application, unnumbered page 1, which requests a deviation from 807 KAR 5:006 and 807 KAR 5:011. Also, refer to the Periodic Compliance Inspection Report attached as an Appendix to this request. OWS was cited for eight deficiencies related to 807 KAR 5:006 and six deficiencies related to 807 KAR 5:011 .

Identify the administrative regulations for which OWS requests a deviation by full citation, which includes the section and subparts (e.g., 807 KAR 5:006, Section 14{1}(b){2}).

ANSWER:

A. 807 KAR 5:006, Section 3(a). Deviation requested: to provide a post office box only, no street address.

B. 807 KAR 5:006, Section 10(1). Deviation requested: to be exempted from the requirement for a physical office, providing alternately that customers will be able to correspond and make complaints via mail, email, telephone all of which will generate prompt response from OWS.

C. 807 KAR 5:006, Section 14(1). Deviation requested: Rather than provide a physical office for 7 hours per week, OWS proposes to make a representative available to respond to emails, letters, phone calls as they arrive and whenever they arrive not just within seven hours of physical office time each week.

D. 807 KAR 5:006, Section 14 (3b). Deviation requested: To provide no physical office space. The Oldham Water District handles all billing and service-related questions therefore such a deviation in no way affects the current system.

E. 807 KAR 5:006, Section 14(1)(b)(2). Deviation requested: To allow OWS to make a representative available for more than 7 hours per week, via website through which customers can reach out to OWS at any convenient time and OWS can respond promptly and not just during seven designated hours per week.

F. 807 KAR 5:006, Section 14(1)(c)(1). Deviation requested: To post summary document on website instead of on website and at a physical office space.

G. 807 KAR 5:006, Section 23. Deviation requested: Allow the OWS website to serve as a virtual office upon which to post system maps and records in lieu of a physical office address.

H. 807 KAR 5:006, Section 24. Deviation requested: OWS does not request to deviate from this regulation, except to clarify that that documents are currently kept in a private home which acts as a 'home office,' but is not open to the public. Records are now and have been available for perusal by the commission.

I. 807 KAR 5:011, Section 2(4). Deviation requested: Posting of the tariff on the virtual website space in lieu of physical office address.

J. 807 KAR 5:011, Section 3 (2)(a). Deviation requested: OWS will utilize a website as its virtual office and asks for an exemption from making a physical address available to the public.

K. 807 KAR 5:011, Section 8(4)(e). Deviation requested: Allow the posting of the tariff online rather than to be filed at a physical address.

L. 807 KAR 5:011, Section 12. Posting Tariffs, Administrative Regulations, and Statues. Deviation requested: To post tariff, administrative statutes and regulations on the website rather than in a physical office.

M. 807 KAR 5:011, Section 12(2). Deviation requested: OWS wishes to substitute a website for a physical office allowing customers the ease of accessing the information from wherever they would like obviating the necessity of providing a desk.

N. 807 KAR 5:011, Section 12(2)(a). Deviation requested: Post all tariffs, supplements, rates, classifications, charges, rules, requirements, contracts, applications applicable on website rather than in a physical office.

2. Refer to the Application, unnumbered page 1, which states that OWS has obtained a website for its customers.

a. Confirm that the website is active.

Answer: Confirmed.

b. State whether OWS customers have utilized the website. If customers have utilized the website, provide any reactions or responses received from customers.

Answer: Unknown. No responses or reactions received.

c. Provide an itemized statement of the costs associated with:

i. Obtaining the website;

Answer: 1-time fee of \$306.00 to obtain domain

1-time fee of \$200.00 to design site

ii. Maintaining and updating the website;

Answer: 1-time fee for future ongoing maintenance \$100.00

d. Any additional costs that OWS will be charged for this website.

Answer: For the foreseeable future, nothing beyond the \$9.90 annual fee.

Explain whether the costs incurred to operate and maintain the website will require OWS to file a request for a rate increase in the future.

Answer: No rate increase will be necessary to pay for the above costs.

3. Refer to the Application, unnumbered pages 1-2, which state that the increased costs of renting and staffing an office would result in a rate increase to pass through the increased costs.

a. Provide a detailed schedule of OWS's estimated annual cost to rent office space.

Answer: Based on a sampling of business space rental in the area, it is estimated the annual cost of office space in Oldham County for a 500 square-foot office would be \$7725.00 annually. Documentation which supports this estimate is included in the attachments showing rental costs ranging from \$12.50 per square foot to \$20.33 per square foot.

b. Provide a detailed schedule of the estimated annual cost to OWS to hire a new employee to staff its office for seven hours per week.

Answer: If a qualified person could be found who was agreeable to working only 7 hours per week, it is estimated that an hourly wage would be \$10-15 per hour, resulting in an annual cost of \$4160 to \$6240.

c. Provide an estimated monthly increase in OWS's rates if OWS were to rent and staff an office for seven hours per week.

Answer: At the low end of rent and staffing, the annual cost to OWS would be approximately \$6250 for rent and \$4160 for staff (total \$10,410), but potentially as much as \$7725 and \$6240 (total \$13,965). To increase annual costs by the low total of \$10,410, OWS would need to increase monthly rates by about \$5.80 per customer, and on the higher end, by \$7.75. The rate of \$47.27, which went into effect this time last year, would have to increase to approximately \$53.07 or \$55.02.

4. Refer to the Application, unnumbered page 1, which states that Oldham County Water District ("Oldham District") provides online bill payments for OWS customers.

a. Explain whether Oldham District provides a representative to handle billing disputes and negotiate partial payments on behalf of OWS.

Answer: All OWS customers are also customers of OCWD. OCWD does provide representatives to handle billing disputes and negotiate partial payments on behalf of OWS. They provide this service for all of their customers, including those served by OWS, as well as for the customers of any other waste water treatment plants whose billing they handle.

b. Confirm that Oldham District accepts payment on behalf of OWS by mail, in person, by direct bank withdrawal, and by credit card.

Answer: Yes, OCWD accepts payments from OWS customers as well as their other customers by mail, in person, by credit card, and direct bank withdrawal.

5. Refer to the Application, unnumbered page 1, which states that the proposed website would be used to contact OWS or the plant operator.

a. Confirm that OWS customers contact Camden Environmental Service Company ("Camden") to report service issues.

Answer: Yes, contacting Camden is the way to handle all service issues.

b. Explain whether Camden staffs the emergency telephone number 24 hours per day.

Answer: Yes, the operator takes calls at the emergency number at all times.

6. Explain how customers contact OWS to request new service or discontinue existing service. Provide the address and telephone number if contact is in person, by mail, or by telephone.

Answer: Customers do not contact OWS to begin or discontinue service – they contact the OCWD to do that. OCWD can be contacted in these ways:

write:

Oldham County Water District
PO BOX 51
Buckner, Kentucky 40010

visit physical address -

2160 Spencer Court
LaGrange, Kentucky 40031

Phone (502) 222-1690 Fax (502) 222-1694

e-mail - ocwd@oldhamcountywater.com

7. If OWS has a telephone number for non-billing and non-emergency customer service, provide the telephone number and the name and position of the contact person or persons for OWS.

Answer: (502) 387-5465, Patience Martin, President.

8. If OWS's deviation request is approved, explain how customers who do not have access to a computer will contact OWS.

Answer: Customers without e-mail or computer access who wish to do so can contact OWS by mail at PO Box 23226, Anchorage, KY 40223, or by telephone at (502) 387-5465.

9. Refer to the Application, unnumbered page 3, which states that a copy of a March 25, 2016 request to deviate from KAR 5:076 and a copy of the Commission's response to that request was attached to the application. These documents were omitted from the Application. Provide a copy of the referenced documents.

Answer: Included below is Exhibit 1a, a copy of the OWS letter to the PSC, which was sent on August 15, 2017, in response to Brian Rice's Inspection Report. Included in that letter (the last 2 pages) are copies of the two documents (Exhibits 1b and 1c) referenced just above:

Oldham Woods Sanitation appreciates the opportunity to address the Commission's questions and concerns. Thank you in advance for your consideration.


Sincerely,



Patience Martin, President
Oldham Woods Sanitation, Inc
PO Box 23226
Anchorage, KY 40223

STATE OF KENTUCKY

COUNTY OF JEFFERSON

Acknowledged, subscribed and sworn to before me by Patience Martin, CEO
& President of OWS on this 8th day of November, 2017. 



Notary Public Commission Expires: 05/13/2019

Exhibits 1a, 1b, 1c to follow

(Exhibit 1a)

August 15, 2017

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40601

Dear Commissioners,

I'm writing this letter in response to the recent inspection report filed by Brian Rice. He noted 2 areas of concern (structural issues), and 14 deficiencies which are all related to the lack of office space.

First, I would like to address the areas of concern: the lagoon piers. The plant operator, Larry Smither, is monitoring the condition of the piers, and reporting to me regarding their safety. I fully intend to make the necessary repairs or new construction in the near future, and I trust the piers will be a non-issue before the next inspection.

Next I would like to address the deficiencies regarding regulations that specify the use of an office. I propose to fulfill the plant's responsibility to the customers without creating undue hardship for the plant's president or its customers.

It is my belief that these regulations were created to give utility customers access to information about their utility companies. While most customers may have no interest in accessing this information, it should be available to those who do want that information. Making this information available to customers for only a limited number of hours per week, possibly hours that are inconvenient to them, and, in the case of a home office situation, at a location that is inconvenient to them, would be a disservice. It would fulfill the letter, but not the spirit, of these regulations. I propose to fulfill the spirit - to make all required information available to the customers not just 7 hours per week, but 7 days per week, 365 days a year, in a cost-effective way - and, with your permission, to deviate only from the letter of this regulation. I propose, and have already secured, a web site for Oldham Woods Sanitation customers. This site is an efficient, cost-effective, and convenient alternative to a physical office, and provides everything a customer would need. It will serve as a virtual office, and will address all of the customers' needs without limiting the hours of access. It will provide access to the tariff, as well as the means to contact me or the plant's operator, and to connect to Oldham County Water District, which provides online bill pay for the OWS customers. For most customers, access to this information would be as close as their cell phones or laptops, and for the few who are less technologically savvy, it would be only as far as the LaGrange Library, which offers free computer access to LaGrange citizens.

I request a deviation from KAR 5:006 and 5:011 on the following grounds: If office space is to be rented for 7 hours per week, and a representative (either I or someone else) is to be paid for working those 7 hours per week, it would put an undue hardship on the

customers, as the funds to cover office rental and worker compensation would have to be passed onto them. Oldham Woods Sanitation would have to request another rate increase, and overall customer bills would increase.

I'm speaking not just on behalf of Oldham Woods Sanitation, but on behalf of all small utilities. Requiring us all to have a separate office is putting an undue hardship on the customers as well as the owners and presidents. It will divert time and resources that could be better spent on improving and maintaining the plants.

I think it's important to add that even before I decided to establish an Oldham Woods Sanitation web site, I had been maintaining a home office, which I organized when I took over as president. Prior to that, my other family members had also maintained home offices. That alone should address some of the deficiencies noted in the recent report. My home is where I keep records and pay the bills, but I consider this a private office, rather than a public one. I'm often working on bookkeeping tasks or correspondence between the hours of 11pm and 2 or 3am. These are the hours I am free to work, but they are by no means regular hours. I am, however, available and willing to meet with customers, PSC representatives, or other interested parties during more typical business hours, by appointment – given reasonable notice. For instance, in May of 2016, I put my OWS file folders in a bag, and met with two PSC representatives at a local coffee shop. On other occasions, I have met with people at similar locations, or at the plant site. If I were the customer, I would much prefer making an appointment that suits my schedule over having to stop in during the 7 hours per week that the utility is open. While I understand it may be unusual not to have a public office, larger utilities such as LG&E or the Oldham County Water District maintain offices because they have so many employees (while OWS has none) and they have enough customer and industry foot traffic to necessitate office space.

Turning my home into a public office would present a hardship and inconvenience for OWS customers, as they all live in another county, approximately 20 miles from my current residence. It would be a greater hardship for me, and even a potential hazard. I am a single female, currently living alone on a quiet street which sees little traffic. It's all well to say I have a home office open only 7 hours per week, but once people have my home address, they have it at all hours of the day and night, and that would cause me much concern. I am a customer of LG&E, KU, and Louisville Water. I have access to pay my bills, inquire about service, and examine my rates, but I don't have those company officers' home addresses, nor do I want or need them. Forcing me to provide my home address to the public would compromise my personal safety. Forcing me to rent and staff office space would raise my customers' rates unnecessarily.

In this letter, the deficiencies have been addressed in a general way, but here I'm also addressing them more specifically:

1, 8, 10, 14: These issues have already been addressed by OWS previously maintaining a home office and a PO box.

7: Camden Environmental Service Company has the maps in question. These maps will also, upon acceptance of the deviation request, be scanned and added to the OWS web site.

4: The Oldham County Water District has for some years been subcontracted to receive payments from OWS customers, as well as to negotiate partial payments, and that entity has maintained an office all this time.

2, 3, 5, 6, 9, 11, 12, 13: These issues will, upon acceptance of the deviation request, be addressed by maintaining a web site.

On March 25, 2016, Oldham Woods Sanitation, Inc requested a deviation from KAR 5:076. A copy of that request is enclosed. Also enclosed is a copy of the PSC response, granting that request.

I believe that when the PSC granted that request, a precedent was set for granting this current deviation request. It is not my intention for Oldham Woods Sanitation to shirk its responsibilities to its customers, but rather to consider their needs and my own, as well as my fiduciary responsibility, and provide a 21st century means to meet all of our needs.

Respectfully submitted,

Patience Martin, President
Oldham Woods Sanitation, Inc
PO Box 23226
Anchorage, KY 40223

(Exhibit 1b)

March 25, 2016

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, KY 40601

Dear Sirs,

Enclosed please find an original and five copies of an Alternate Rate Filing application for Oldham Woods Sanitation, Inc sewer utility. A copy of this filing has also been sent to the Office of the Kentucky Attorney General. Also enclosed are copies of supporting documentation, the notice mailed to customers, and a sworn verification of mailing. Please incorporate by reference in this case the Oldham Woods annual reports which are on file with the Commission. Oldham Woods proposes that the rates become effective on April 30, 2016, and has provided a proposed tariff to that effect within this filing.

We respectfully request permission to deviate from one regulation in filing this application. 807 KAR 5:076, Section 5 (4) (e) states that the customer notice must include "a statement that a person may examine this application at the offices of (utility name) located at (utility address)." Due to the fact that Oldham Woods does not maintain an office that has regular business hours, we request to deviate from that regulation.

With that one exception, Oldham Woods has made every effort to comply fully with the Commission's ARF requirements. If any filing requirements have been inadvertently overlooked, please consider this a request to grant a waiver, on the grounds that all relevant information has been provided to allow this case process to begin.

Finally, please note that Oldham Woods is operating with very little cash, and therefore hopes to avoid incurring legal fees related to this application. We therefore would be greatly appreciative if the Commission and its Staff could provide the assistance and procedural flexibility necessary to accomplish this goal.

Respectfully submitted,

Patience Martin, President
Oldham Woods Sanitation, Inc
PO Box 23226
Anchorage, KY 40223

(Exhibit 1c)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF OLDHAM WOODS
SANITATION, INC. FOR RATE ADJUSTMENT
PURSUANT TO 807 KAR 5:076

ORDER

CASE NO.

2016-00131

On March 28, 2016, Oldham Woods Sanitation, Inc. ("Oldham Woods") filed an application for rate adjustment pursuant to 807 KAR 5:076. In its application, Oldham Woods requests to deviate from 807 KAR 5:076, Section 5(4)(e), which requires a utility's customer notice to contain a statement that a person may examine the utility's application at the offices of the utility. The Commission will treat Oldham Woods' request as a motion for deviation.

As the basis for its request, Oldham Woods states in its application that it does not maintain an office that has regular business hours. Oldham Woods further states that it mailed written notice of its application for Rate Adjustment to each of its customers. A copy of the customer notice is attached to Oldham Woods' application. Based on a review of Oldham Woods' request, the Commission finds that Oldham Woods has established good cause to permit it to deviate from the requirement of 807 KAR 5:076, Section 5(4)(e), and that its request should be granted.

IT IS THEREFORE ORDERED that:

1. Oldham Woods' request for deviation from the requirement of 807 KAR 5:076, Section 5(4)(e), is granted.
2. Oldham Woods' application is deemed filed as of the date of this Order.

ATTEST:

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Acting Executive Director *R-*

By the Commission

ENTERED

APR 11 2016

KENTUCKY PUBLIC
SERVICE COMMISSION

Case No. 2016-00131

*Denotes Served by Email Service List for Case 2016-00131

*Oldham Woods Sanitation, Inc.

P. O. Box 23226

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