



Matthew G. Bevin
Governor

Charles G. Snively
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

February 27, 2019

TRANSMITTED VIA E-MAIL

PARTIES OF RECORD

Re: Case No. 2018-00387
South Hopkins Water District Alternative Rate Filing

Attached is a copy of the 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 informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Brittany Koenig, Staff Attorney, at 502-782-2591.

Sincerely,

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

Gwen R. Pinson
Executive Director

Attachment

MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2018-00387

FROM: Brittany Koenig, Staff Attorney

DATE: February 27, 2019

RE: Informal Conference of February 25, 2019

Pursuant to Commission Staff's (Staff) Notice of Informal Conference (IC) filed into the record on February 25, 2019, a telephonic IC was held in this matter on February 25, 2019. Representatives of South Hopkins Water District (South Hopkins District), including John Blaylock, Kayla Goodaker, and Debbie Duncan, and Alan Vilines, of Kentucky Rural Water, participated in the conference with Staff. A copy of the attendance roster is attached.

Commission Staff Attorney Brittany Koenig began the meeting by advising representatives of South Hopkins District that Staff does not speak for the Commission. She advised that notes would be taken during the conference and that Staff would prepare and enter into the record a memorandum regarding the conference. Ms. Koenig further advised that the parties would have five days after the memorandum is entered into the record to file comments on the memorandum.

Ms. Koenig began by explaining that Staff had questions about how South Hopkins planned to request its purchase water adjustment and advised South Hopkins of possible options.

South Hopkins District explained that there had been a wholesale rate increase proposed by Madisonville that could affect a portion of South Hopkins' customer base. Staff advised of two options. The first option is to file a Purchase Water Adjustment (PWA) to pass through the rate and apply the rate evenly across the board to all customers and the Staff report due March 6, 2019 would not address the wholesale rate increase. The Final Order in this case would account for any rate increase. The second option is to address the wholesale rate increase in the Staff report which would create a necessary delay.

The proposed wholesale rate increase does not go into effect until March 31, 2019 and if there is a protest, that could delay the matter further. Therefore, Staff suggested that South Hopkins District file its PWA at the first of the month, and Staff will not address the wholesale increase in the Staff Report. The increase would be accounted for in the Final Order. Alan Vilines agreed with Staff's suggestion as the cleanest way to address it.

Mr. Blaylock confirmed that they were seeking a solution that did not involve South Hopkins District coming in for another rate increase so soon after this case is finished.

Mr. Blaylock also confirmed that despite mentioning a possible rate design change that would separate the Grapevine service area and charge a different rate, after conferring with his accounting department, South Hopkins wants to do an across the board increase. Any plan to separate one group into a different rate would be an accounting nightmare.

Staff addressed Mr. Vilines to point out a small discrepancy in the "Billing Analysis" section of the application, which lists 35,404 gallons in the 5/8" x 3/4" inch increment versus 35,598 for the same in the revenue by rate class. Staff also confirmed that in the application Mr. Vilines applied a percentage increase to obtain the amount for billing adjustments in the billing analysis summary with the proposed rates.

Ms. Goodaker of South Hopkins District asked who from Staff could advise her on how to file a PWA, and Sam Reid confirmed that she has his phone number.

There being no further business, the informal conference adjourned.

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH HOPKINS WATER
DISTRICT FOR AN ALTERNATIVE RATE
ADJUSTMENT

)
)
) CASE NO.
) 2018-00387
)
)
)
)
)
)

SIGN IN

February 25, 2019

PERSON

REPRESENTING

Bullaug H Koenig	Staff attorney, PSC OOC
Kayla Goodson	So. Hopkins Water Dist
John Blaylock	So. Hopkins Water Dist
Alan Vilius	Ky Rural Water
Debbie Purcum	So. Hopkins Water Dist
Sam Reid	PSC - FA
William Foley	PSC - FA
Ariel Miller	PSC - FA

*South Hopkins Water District
129 South Main Street
P. O. Box 487
Dawson Springs, KY 42408

*Jon Blalock
South Hopkins Water District
129 South Main Street
P. O. Box 487
Dawson Springs, KY 42408