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September 4, 2019

Hon. Gwen Pinson
Executive Director of KY Public Service Commission
211 Sower Blvd
PO Box 615
Frankfort, KY 40602

Re : 2019-131 : Application of Southern Water & Sewer District for An
Alternative Rate Adjustment

Hon. Gwen Pinson:

Enclosed please find the original and 10 copies of the attached
Comments to PSC Staff Report. Please file said attachment into the record.

Thank you for your assistance and if you need any additional
information, please do not hesitate to contact my office.

Respectfully Submitted,



Steven P. Bailey, J.D./M.B.A.
Bailey Law Office, PSC
Attorney for Southern Water

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

SEP 09 2019
PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF SOUTHERN WATER AND SEWER DISTRICT FOR
AN ALTERNATIVE RATE ADJUSTMENT

CASE NO. 2019-131

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SOUTHERN'S COMMENTS ON STAFF REPORT

Comes now the Applicant, Southern Water & Sewer District ("Southern"), by and through counsel, and hereby tenders its comments on the Commission Staff Report in the above-styled action.

Although Southern generally accepts the Commission Staff Report, Southern submits these comments to comment and explain the manner in which it intends to determine if any over collection resulted from the interim flat rate and interim commercial rates being in excess of the rates calculated based on the COSS.

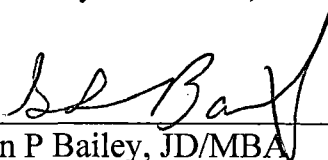
Southern intends to obtain and install new meters as quickly as possible, as evidenced by Southern advertising for meters ahead of the PSC's ordered schedule. The biggest hinderance thus far in expediting the new meters has been due to funding/financing issues. As soon as each meter route is installed with new meters, Southern intends to apply the Customer Charge and Volumetric Rates to said meter route for the next applicable billing cycle. Southern will collect and maintain records detailing each customer's usage based upon the usage information gathered by the new meters. After Southern has

collected said information for one year for each meter, it intends to calculate the average monthly usage for each meter. This monthly average will then be compared to the interim flat rate and interim commercial rates to determine whether any overcollection has occurred. Over-collection may not be reasonable due to several factors, including considerable water loss attributable to the old meters, increased usage during/because of the interim flat rate and many other variables. Depending upon the results of this analysis, Southern may or may not issue refunds for over-collection but does not intend on collecting any monies for under-billing during the interim flat rate period.

Southern intends to file a new alternative rate filing once it has collected a full calendar year of usage data and expense data to develop a new rate structure going forward

WHEREFORE, the District respectfully requests that the Commission set a fair, just and reasonable rate for the customers of Southern. Southern does not believe a hearing is necessary and request that this case be submitted on the record.

Respectfully Submitted,



Steven P Bailey, JD/MBA
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CERTIFICATE OF SERVICE AND FILING

Counsel certifies that an original and ten (10) photocopies of the foregoing were served and filed by mail to Gwen R. Pinson, Executive Director, Public Service Commission, 211 Sower Blvd, Frankfort, KY 40601: Counsel further states that a true and accurate copy of the foregoing were faxed to:

Justin McNeil
Kent Chandler
KY Attorney General
700 Capitol Ave, Suite 20
Frankfort, KY 40601-8204
Fax 502 573 1005