

Matthew G. Bevin
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Energy and Environment Cabinet



Commonwealth of Kentucky
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Michael J. Schmitt
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Talina R. Mathews
Commissioner

August 23, 2019

PARTIES OF RECORD

Re: Case No. 2019-00275

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 Nancy J. Vinsel, Assistant General Counsel, at 502-782-2582.

Sincerely,

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

Gwen R. Pinson
Executive Director

njv

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2019-00275

FROM: Nancy J. Vinsel, Assistant General Counsel

DATE: August 23, 2019

RE: Informal Conference of August 21, 2019

Pursuant to a Staff Notice, a telephonic informal conference (IC) was conducted on August 21, 2019. Attached is a copy of the attendance roster.

The purpose of the IC was to clarify the proposed rate adjustment contained in the application filed pursuant to KRS 278.023.

Big Sandy Water District (Big Sandy District) operates two divisions, Division 1, Original Big Sandy Water District Area, and Division 2, Overland Development Area. Division 2 has higher rates than Division 1. Further, Division 2 has only 5/8 meters, while Division 1 has six meter sizes, with rates specific for each meter size. Additionally, Big Sandy District sells water to Cannonsburg Water District at a wholesale rate.

In processing the case, Commission Staff (Staff) became aware of an ambiguous reference to rates applicable to Division 2 and Cannonsburg Water District. The customer notice for the proposed rate adjustment is attached as an attachment to this IC memo. The notice contained proposed rates broken out by meter size that comport with the tariff for Division 1; these proposed rates included the new monthly rate, the dollar change, and the percent change. The notice does not include present and proposed rates, and amount of change in dollar amount and percentage amount for Division 2 or Cannonsburg, but instead read, "Same as above."

Staff asked Big Sandy District to clarify whether the Division 2 rates and Cannonsburg Water District would mirror the rates for Division 1 or whether their rates would remain the same as in the current tariff. Big Sandy District confirmed that it intended to change the current tariffed rates for Division 2 and Cannonsburg Water District to the rates contained in the attached notice. Big Sandy District agreed to amend its application or otherwise make a filing that reflected said changes.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

Attachments

**Big Sandy Water District
Proposed Monthly Water Rates**

<u>5/8" x 3/4" Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 1,000 gallons	\$18.25	\$1.23	7.23%
Next 9,000 gallons	\$9.40	\$0.73	8.42%
Next 10,000 gallons	\$6.40	\$0.33	5.44%
Next 20,000 gallons	\$5.95	\$0.30	5.31%
Over 40,000 gallons	\$5.70	\$.028	5.17%

<u>1 Inch Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 10,000 gallons	\$102.85	\$7.88	8.30%
Next 10,000 gallons	\$6.40	\$0.33	5.44%
Next 20,000 gallons	\$5.95	\$0.30	5.31%
Over 40,000 gallons	\$5.70	\$.028	5.17%

<u>1.5 Inch Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 20,000 gallons	\$166.85	\$11.18	7.18%
Next 20,000 gallons	\$5.95	\$0.30	5.31%
All Over 40,000 gallons	\$5.70	\$.028	5.17%

<u>2 Inch Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 40,000 gallons	\$285.85	\$17.18	6.39%
All Over 40,000 gallons	\$5.70	\$.028	5.17%

<u>3 Inch Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 100,000 gallons	\$627.85	\$33.98	5.72%
All Over 100,000 gallons	\$5.70	\$.028	5.17%

<u>4 Inch Meters</u>	<u>New Monthly Rate</u>	<u>Dollar Change</u>	<u>Percent Change</u>
First 200,000 gallons	\$1,197.85	\$61.98	5.46%
Over 200,000 gallons	\$5.70	\$.028	5.17%

Overland Development - Same as above

Cannonsburg Water District - Same as above

Customer Class	Average Monthly Usage Per Customer	Average Monthly Bill (Present Rates)	Average Monthly Bill (Proposed Rates)	Increase in Average Monthly Bill (\$)	Increase in Average Monthly Bill (%)
5/8" x 3/4"	3023	34.56	37.33	2.77	8.02
1" meter	7807	94.97	102.85	7.88	8.30
1.5" meter	6187	155.67	166.85	11.18	7.18
2" meter	8629	268.67	285.85	17.18	6.39
3" meter	89,505	593.87	627.85	33.98	5.72
4" meter	412,094	1135.87	1197.85	61.98	5.46

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE BIG SANDY WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	
CONSTRUCT A SYSTEM IMPROVEMENTS)	CASE NO.
PROJECT AND AN ORDER APPROVING A)	2019-00275
CHANGE IN RATES AND AUTHORIZING THE)	
ISSUANCE OF SECURITIES PURSUANT TO)	
KRS 278.023)	

IC August 21, 2019

Please sign in:

NAME

REPRESENTING

Nancy Vinsel

PSC

Tina Frederick

PSC

Mark Frost

PSC

James Livers

PSC

Joe Disher

Big Sandy / Disher-Maggard
Engineering

*Big Sandy Water District
18200 Kentucky Route #3
Catlettsburg, KY 41129

*Honorable W. Randall Jones
Attorney at Law
Rubin & Hays
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