

# Monroe County Water District

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Tompkinsville, Ky 42167  
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JAN 22 2020

PUBLIC SERVICE  
COMMISSION

January 16, 2020

Ms. Gwen R. Pinson  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RE: Alternative Rate Adjustment Application  
CASE NO. 2019-00293 – Response to Staff Report

Dear Ms. Pinson:

The Monroe County Water District (MCWD) is in receipt of the PSC Staff Report for the application of an alternative rate adjustment pursuant to 807 KAR 5:076 required by the Kentucky Infrastructure Authority in the above-referenced case. We sincerely appreciate your staff's assistance through the process, review and recommendations. The PSC staff have calculated and recommend a rate increase of 30.55%. The District's auditor and engineer had prepared the District's Commissioners for an increase of ~7% and through the application process, we determined an increase of 8.54%. However, we concur and accept PSC staff's findings of known and measurable changes to test-year operations and adjustments and comprehend our discrepancies they addressed. MCWD is not challenging the 30.55% determination therefore, we are not requesting a hearing.

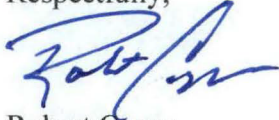
MCWD Commissioners and staff are however concerned and believe the 30.55% increase would place a significant hardship on the customers and herein request the Commission's consideration of a phase-in approach increase to rates. All customer rates were raised in 2017 by 7.06% and the wholesale rates were raised to \$4.15/1000 gallons by our wholesale water provider. A phase-in approach would provide us ample time to complete a cost of service study based upon a full year of operations producing our own water to appropriately set a new wholesale rate. The MCWD Commissioners are herein requesting a 10.55% Year-1 increase and ten percent per annum thereafter with full implementation by March 2022. The District would greatly appreciate your consideration of the phased-in approach.

With a two-cycle customer billing, timing of meter readings, and the complexity of the billing software, the District staff is requesting PSC's further consideration of the increases be effective

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and implemented *on the first date of a month (i.e. Mar 1, Apr 1)*. Thank you for your consideration of our requests. Please contact the District should you require any additional information.

Respectfully,

A handwritten signature in blue ink, appearing to read "Robert Capps", written over a horizontal line.

Robert Capps  
General Manager

## **Interested Party List**

Kentucky Public Service Commission  
211 Sower Boulevard (P.O. Box 615)  
Frankfort, KY 40601 (40602-0615)

<http://psc.ky.gov>

Office of the Attorney General  
Rate Intervention  
700 Capitol Ave, Ste. 20  
Frankfort, KY 40601

Monroe County Water District  
205 Capp Harlan Road  
Tompkinsville, KY 42167

Robert Capps, General Manager  
Monroe County Water District  
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