

Grayson County Water District

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PUBLIC SERVICE
COMMISSION

February 24, 2009

Mr. Daniel Hinton
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Request for interim calamity rate adjustment

2009-00090

Dear Mr. Hinton,

In light of the recent storm and the extended duration of which many homes were without electricity, we at the Grayson County Water District feel we are compelled to ask for a variance to our current tariff.

With countless folks being without power for as much as nineteen days and many of these days having overnight lows in the teens and some even the single digits it became difficult if not sometimes impossible to keep water lines in their homes from freezing. While we realize there are measures that can be taken to alleviate this problem many homeowners in our community were elderly and had taken refuge at shelters or simply unable to do any thing better. With this being said numerous members had frozen pipes that busted and when thawed and them not at home because of seeking shelter somewhere else will be receiving very large water bills.

With the challenging economy striking the commonwealth and the nation, many of these people were struggling to make ends meet without this additional burden. While we realize this may not be a problem of the Water Districts, and there is no water system that takes water loss any more serious than we do, we feel compelled to ask for some relief for our water customers by allowing us to make a one time adjustment to their water bills for high consumption due to this calamity.

Our approach to making adjustments would be proposed as follows:

1. Adjustments would only be made on usage for reading periods from February 09, 2009 through March 06, 2009. This would cover one reading period of all reading cycles during this ice storm event.

An Equal Opportunity Provider

Deaf, hearing or speech impaired call KY Relay Center
TDD users 1-800-648-6056
Voice 1-800-648-6057

2. Adjustments would be made only on any usage that is greater than two times the customer's last twelve months average usage.
3. Adjustments would be made back to the monthly average usage.
4. Adjusted bills will be billed normally for the adjusted monthly average use, and then all usage over the average use will be billed at \$2.00/1,000 gallons used. (The \$2.00/1,000 is the present lowest rate charged/1,000 gallons used to any customer, which is the existing wholesale rate approved in the Grayson County Water District tariff.)
5. Since it would be difficult at best for the water district to review all 6204 bills to see if adjustments should be made, adjustments would be made on the apparent high accounts only after contact has been made to the account in question, but many adjustments may have to be requested by the customer. A note will be added to bills in one billing cycle asking customers to contact the Water District office if they have had a high bill due to the inclement weather and feel that they may be entitled to an adjustment.

Example billing adjustment:

If a billing showed the last twelve month average usage of 3,500 gallons, and the monthly reading showed a usage of 35,800 gallons, the Water District would bill the member at regular rates for 3,500 gallons of usage. The remaining usage of 32,300 gallons would be billed at a flat rate of \$2.00/1,000 gallons used.

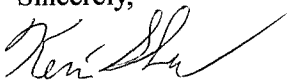
Any adjusted accounts would be expected to make full payment on the unadjusted amount, however payment arrangements would be available at the customers request for the remaining amount as would be in any other case.

There are a couple components to this request for it to be a practical request, the first being the Water Districts willingness to make these one time adjustments. The second is the importance of a timely response from the Commission to enable the enacting of this request.

Inasmuch referencing chapter 278.170 of the Public Service Commissions laws affecting public utilities in Kentucky. Any utility may grant free or reduced rates service for the purpose of providing relief in case of flood, epidemic, pestilence, or other calamity. The Grayson County Water District respectfully requests that the Commission grant this one time rate adjustment due to the ice storm calamity.

It is further requested that due to the nature of this appeal, special consideration be given to this request and it be expedited by the Commission with an opinion and reply as quickly as possible.

Sincerely,



Kevin Shaw,
Manager

Grayson County Water District