

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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FEB 24 2011

PUBLIC SERVICE
COMMISSION

Application of Water Service Corporation)
of Kentucky for an Adjustment of Rates) Case No. 2010-00476
)

RESPONSE TO ORDER OF FEBRUARY 23, 2011
AND MOTION FOR DEVIATION

Water Service Corporation of Kentucky (WSCK), by counsel, submits the tariff sheets referenced in the order of February 23, 2010, which now conform to the requirements of 807 KAR 5:011.

WSCK further moves for a determination by the Commission that the tariffs as originally filed substantially comply with 807 KAR 5:001 and 807 KAR 5:011. The tariffs were submitted with the application for an adjustment of rates on January 24, 2011. On January 31, 2011, WSCK received a letter from the Commission determining that the application met the minimum filing requirements and was filed as of January 24th.

The order of February 23rd, contrary to the January 31st determination, states that the tariffs are not in compliance with the filing requirements for lack of an officer's signature and that the notice of the rate adjustment provided in the application was not acceptable. An additional 30 day notice of the effective date of the proposed rates is required of the February 23rd order.

In its application, WSCK requested a deviation from any filing requirement that might be considered in substantial compliance with the regulations or a deviation from such requirement.

Having previously found that the application meets the minimum filing requirements, such deviation should be presumed. However, even if such presumption is not recognized, deviations from this sort of minor defect have been routinely given. For example, in Case 2010-00116, Delta Natural Gas was granted a deviation from the notice requirements of 807 KAR 5:011, Order dated September 10, 2010. In Case 2004-00249, Application of East KY Power Cooperative, Inc., the Commission granted a deviation from the signature requirement of 807 KAR 5:063, Order dated November 29, 2004.

In Case No. 2010-00066, Application of Coolbrook Utilities LLC for Tariff Revisions, the application failed to have signatures or proper formatting on the proposed tariffs. The application was accepted as meeting the minimum filing requirements on February 18, 2010. On February 25, 2010 revised tariff sheets were filed, which also lacked signatures and were also not in the form or format required of 807 KAR 5:011. The application continued to be processed and on March 29, 2010 a data request to Coolbrook from the Commission requested:

6. Provide all tariff revisions proposed in the application in the proper format in accordance with 807 KAR 5:011, with the appropriate officer's signature on each sheet.

Not until June 24th did Coolbrook file the revised tariffs. The application was not delayed because of the lack of the officer's signature and no additional notice was required of the applicant.

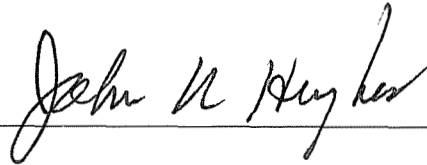
In Case No. 2010-00300, Application of Martin County Water, the application included a proposed tariff with no signature. Copy attached. The application was deemed to meet the minimum filing requirements on September 13, 2010. Even more recently, in Case No. 2011-00048, Farmdale Utility's application was accepted without a signature on the proposed tariff. Copy attached.

WSCK believes that its application as accepted by the Commission's letter of January 31, 2011 meets the filing requirements. Because the tariffs are in substantial compliance and because WSCK sought a deviation from minor defects with the regulations, it moves for an order granting the deviation and determining that the application was filed as of January 24, 2011.

Given the Commission's allowance of similar tariffs to be filed, the requirement for WSCK to re-file its proposed tariffs with an additional 30 notice period is unreasonable, arbitrary and unlawful selective enforcement of the regulations. Had the alleged deficiency been timely discovered and notice given to WSCK on January 31, 2011, when the acceptance letter was issued, it could have avoided the delay of an additional 30 days for the processing of the application. Due to the delay in notifying the company of the deficiency, the case has been prolonged for at least an additional 30 days. Such delay in the final outcome of the case only further harms the financial condition of a small water utility.

WSCK should be able to rely on the rulings of the Commission as to the filing requirements. If after the application has been filed, deficiencies can be declared at any time during the application's review, there is no finality to the application and the case could be delayed indefinitely.

For these reasons, WSCK moves for an order determining that it substantially complied with 807 KAR 5:001 and 807 KAR 5:011 and that its application is accepted as filed on January 24, 2010.

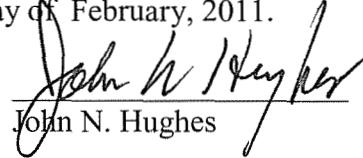


John N. Hughes
124 West Todd Street
Frankfort, Kentucky 40601
(502) 227-7270 (T)
(502) 875-7059 (F)

Attorney for Water Service
Corporation of Kentucky

Certificate of Service:

A copy of this response was mailed to David Spenard of the Attorney General's Office, 1024 Capital Center Dr, Frankfort, KY 40601 the 24th day of February, 2011.



John N. Hughes

FOR Middlesboro and Clinton and Adjacent Territory
Community, Town or City

P.S.C. KY. NO. 4

SHEET NO. 38

Water Service Corporation of Kentucky
(Name of Utility)

CANCELLING P.S.C. KY. NO. 3 (in its entirety)

CONTENTS

Next 9,000 gallons ~~6.59~~ 8.03 per 1,000 gallons
Next 15,000 gallons ~~6.05~~ 7.38 per 1,000 gallons
Next 25,000 gallons ~~5.51~~ 6.72 per 1,000 gallons
Next 50,000 gallons ~~4.89~~ 5.96 per 1,000 gallons
All Over 100,000 gallons ~~4.27~~ 5.21 per 1,000 gallons

1" Meter:

First 5,300 gallons ~~\$39.98~~ 48.74 Minimum bill
Next 3,700 gallons ~~6.59~~ 8.03 per 1,000 gallons
Next 15,000 gallons ~~6.05~~ 7.38 per 1,000 gallons
Next 25,000 gallons ~~5.51~~ 6.72 per 1,000 gallons
Next 50,000 gallons ~~4.89~~ 5.96 per 1,000 gallons
All Over 100,000 gallons ~~4.27~~ 5.21 per 1,000 gallons

1 1/2" Meter:

First 11,200 gallons ~~\$73.23~~ 95.36 Minimum bill
Next 13,800 gallons ~~6.05~~ 7.38 per 1,000 gallons
Next 25,000 gallons ~~5.51~~ 6.72 per 1,000 gallons
Next 50,000 gallons ~~4.89~~ 5.96 per 1,000 gallons
All Over 100,000 gallons ~~4.27~~ 5.21 per 1,000 gallons

2" Meter:


First 17,600 gallons ~~\$116.95~~ 142.57 Minimum bill
Next 7,400 gallons ~~6.05~~ 7.38 per 1,000 gallons
Next 25,000 gallons ~~5.51~~ 6.72 per 1,000 gallons
Next 50,000 gallons ~~4.89~~ 5.96 per 1,000 gallons
All Over 100,000 gallons ~~4.27~~ 5.21 per 1,000 gallons

6" Meter:

First 250,500 gallons ~~\$1,186.60~~ 1,446.61 Minimum bill

DATE OF ISSUE ~~November 9, 2009~~ February 24, 2011
Month / Date / Year

DATE EFFECTIVE ~~November 9, 2009~~ March 29, 2011
Month / Date / Year

ISSUED BY John Hoy 
(Signature of Officer)

TITLE Chief Regulatory Officer Operating

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 201008-00476563 DATED ~~November 9, 2009~~
March 29, 2011

FOR Middlesboro and Clinton and Adjacent Territory
Community, Town or City

P.S.C. KY. NO. 4

SHEET NO. 38

Water Service Corporation of Kentucky
(Name of Utility)

CANCELLING P.S.C. KY. NO. 3 (in its entirety)

CONTENTS

RATES

The following rates and charges are prescribed for the customers in the area served by Water Service Corporation of Kentucky. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

Middlesboro

5/8" x 3/4" Meter:

First 1,000 gallons	\$8.70 <u>10.61</u> Minimum bill
Next 9,000 gallons	3.50 <u>4.27</u> per 1,000 gallons
Next 15,000 gallons	3.40 <u>3.89</u> per 1,000 gallons
Next 25,000 gallons	3.03 <u>3.69</u> per 1,000 gallons
Next 50,000 gallons	2.71 <u>3.30</u> per 1,000 gallons
All Over 100,000 gallons	2.48 <u>3.02</u> per 1,000 gallons

1" Meter:

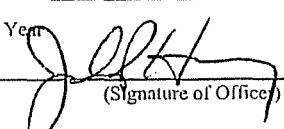
First 6,000 gallons	\$26.48 <u>31.91</u> Minimum bill
Next 4,000 gallons	3.50 <u>4.27</u> per 1,000 gallons
Next 15,000 gallons	3.40 <u>3.89</u> per 1,000 gallons
Next 25,000 gallons	3.03 <u>3.69</u> per 1,000 gallons
Next 50,000 gallons	2.71 <u>3.30</u> per 1,000 gallons
All Over 100,000 gallons	2.48 <u>3.02</u> per 1,000 gallons

1 1/2" Meter:

First 13,000 gallons	\$ 49.72 <u>60.61</u> Minimum bill
Next 12,000 gallons	3.40 <u>3.89</u> per 1,000 gallons

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ISSUED BY John Hoy 
(Signature of Officer)

TITLE Chief Regulatory Officer Operating
Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 201008-00476563 DATED ~~November 9, 2009~~
March 29, 2011

FOR Middlesboro and Clinton and Adjacent Territory
Community, Town or City

P.S.C. KY. NO. 4

SHEET NO. 38

Water Service Corporation of Kentucky
(Name of Utility)

CANCELLING P.S.C. KY. NO. 3 (in its entirety)

CONTENTS

Next 25,000 gallons ~~3.03~~ 3.69 per 1,000 gallons
Next 50,000 gallons ~~2.74~~ 3.30 per 1,000 gallons
All Over 100,000 gallons ~~2.48~~ 3.02 per 1,000 gallons

2" Meter:

First 21,400 gallons \$~~76.49~~ 93.24 Minimum bill
Next 3,600 gallons; ~~3.19~~ 3.89 per 1,000 gallons
Next 25,000 gallons ~~3.03~~ 3.69 per 1,000 gallons
Next 50,000 gallons ~~2.74~~ 3.30 per 1,000 gallons
All Over 100,000 gallons ~~2.48~~ 3.02 per 1,000 gallons

3" Meter:

First 68,400 gallons \$~~213.60~~ 260.38 Minimum bill
Next 31,600 gallons ~~2.74~~ 3.30 per 1,000 gallons
All Over 100,000 gallons ~~2.48~~ 3.02 per 1,000 gallons

4" Meter:

First 127,500 gallons \$~~367.33~~ 447.79 Minimum bill
All Over 127,500 gallons ~~2.48~~ 3.02 per 1,000 gallons

6" Meter:

First 281,500 gallons \$~~748.79~~ 912.80 Minimum bill
All Over 281,500 gallons ~~2.48~~ 3.02 per 1,000 gallons

CLINTON

5/8" x 3/4" Meter:

First 1,000 gallons \$~~11.64~~ 14.19 Minimum bill

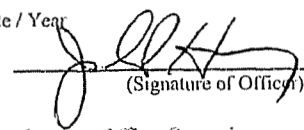
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John Hoy 
(Signature of Officer)

TITLE
Officer

Chief Regulatory Officer ~~Operating~~

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 201008-00476563 DATED ~~November 9, 2009~~
March 29, 2011

FOR Middlesboro and Clinton and Adjacent Territory
Community, Town or City

P.S.C. KY. NO. 4

SHEET NO. 38

Water Service Corporation of Kentucky
(Name of Utility)

CANCELLING P.S.C. KY. NO. 3 (in its entirety)

CONTENTS

All Over 250,500 gallons

~~4.27~~ 5.21 per 1,000 gallons

Monthly Fire Protection Charges

Private Hydrants or Sprinkler Systems

\$ ~~19.35~~ 23.59 per hydrant or sprinkler

Clinton municipally owned hydrants

~~4.30~~ 5.24 per hydrant

Middlesboro municipally owned hydrants

~~4.30~~ 5.24 per hydrant

CUSTOMER COMPLAINTS

Complaints may be made to the Area Manager whose decision may be appealed to the Water Service Corporation of Kentucky Regional Manager. Such appeal shall be in writing within ten (10) days of the date of the decision by the Manager stating the nature of the complaint and supporting evidence. These decisions may be brought before the Public Service Commission in accordance with 807 KAR 5:006, Section 9.

WATER SHORTAGE RESPONSE PLAN

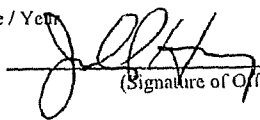
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John Hoy 
(Signature of Officer)

TITLE
Officer

~~Chief~~ Regulatory Officer ~~Operating~~

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 201008-00476563

DATED ~~November 9, 2009~~

March 29, 2011

FOR Martin County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Martin County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CONTENTS

5/8" x 3/4" Meter

First 2,000 Gallons \$ 26.50 Minimum
Over 2,000 Gallons \$ 6.70 Per 1,000 Gal

1" Meter

First 5,000 Gallons \$ 46.60 Min. Bill
Over 5,000 Gallons \$ 6.70 Per 1,000 Gal

1 1/2" Meter

First 10,000 Gallons \$ 80.10 Min. Bill
Over 10,000 Gallons \$ 6.70 Per 1,000 Gal

2" Meter

First 20,000 Gallons \$ 147.10 Min. Bill
Over 20,000 Gallons \$ 6.70 Per 1,000 Gal

3" Meter

First 30,000 Gallons \$ 214.10 Min. Bill
Over 30,000 Gallons \$ 6.70 Per 1,000 Gal

4" Meter

First 50,000 Gallons \$ 348.10 Min. Bill
Over 50,000 Gallons \$ 6.70 Per 1,000 Gal

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

FOR Farmdale Subdivision & Vicinity, Franklin Co. KY
Community, Town or City

P.S.C. KY. NO. 4

Original SHEET NO. _____

Farmdale Development Corporation
(Name of Utility)

CANCELLING P.S.C. KY. NO. 3

_____ SHEET NO. _____

CONTENTS

Schedule of Rates

Residential Consumers:

Monthly Charge \$42.38

Monthly Surcharge:

\$9.92 per customer for a period of five years from July 30, 2008, or collection of \$146,307,
whichever comes first.

DATE OF ISSUE February 11, 2011
Month / Date / Year

DATE EFFECTIVE March 23, 2011
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE President, Farmdale Development Corporation

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____