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OCT 25 2018

PUBLIC SERVICE
COMMISSION

October 17, 2018

Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40601

RE: P.R. Wastewater Management Case No. 2018-00339

Dear Sirs:

On October 16, 2018, the PSC issued a deficiency letter in the above-styled rate case. There were two deficiencies mentioned, and this letter attempts to correct those deficiencies to the best of our ability, as follows:

1. 807 KAR 5:076: Section 4 (1) (f) – Detailed Analysis of Applicant's customers' bills showing revenues from present and proposed rates from each customer class (Attachment BA-DB or Attachment BA-FR is attached to ARF Form-1).

Response: Attached please find Attachment BA-FR. The information contained on this form was previously provided to the PSC with the PRWW rate application dated October 4, 2018 in Exhibit 2 and entitled "PRWW 2018 Statement of adjusted Operations/Revenue Requirement/Billing Analysis," but this specific form is now being provided to remove all doubt that the information has been provided. PRWW is a flat-rate sewer system whose only recurring sewer service charge is \$26.30 per month.

2. 807 KAR 5:076: Section 5 (4) – The notice of proposed rate adjustment does not meet regulatory requirements. It does not include the amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates apply.

Response: Attached please find the revised customer notice, which now includes explicit reference to the \$8.70 dollar amount of the increase to all our customers. This revised notice will be mailed with customers' bills in early November, and we will notify the PSC as soon as this mailing has occurred.

Sincerely,



Lauren Just

P.R. Wastewater Management, Inc.

BILLING ANALYSIS - FLAT RATES

Revenue from Present/Proposed Rates

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	352	352
Flat Monthly Rate	X \$ 26.30	X \$ 35.00
Monthly Revenue	\$ 9,257.60	\$ 12,230
Number of Months	X 12	X 12
Annual Revenue	\$ 111,091.20	\$ 147,840

NOTICE

P.R. Wastewater Management, Inc. (PR Wastewater) has filed an application with the Public Service Commission proposing to increase its monthly sewer rate from \$26.30 to \$35.00, an increase of \$8.70 or 33%. PR Wastewater believes it could justify an even larger increase based on both its current operating costs and also the need for additional maintenance, repairs, and replacements, but is proposing the \$35.00 rate to lessen the effects on its customers. Please be aware that PR Wastewater's rates have not been increased since the year 2000, and that its costs have increased significantly because of more stringent regulatory requirements and inflation. The proposed effective date of the change is December 6, 2016.

Monthly Rate

<u>Current</u>	<u>Proposed</u>
Residential Flat Rate \$26.30	\$35.00
Nonresidential Rate \$26.30 per residential equivalent	\$35.00 per residential equivalent

<u>MONTHLY USAGE</u>	<u>MONTHLY BILL AT CURRENT RATE</u>	<u>MONTHLY BILL AT PROPOSED RATE</u>	<u>PERCENT INCREASE</u>	<u>DOLLAR INCREASE</u>
Residential	\$26.30	\$35.00	33%	\$8.70
Nonresidential 0-12,000 Gallons	\$26.30	\$35.00	33%	\$8.70

The rates contained in this notice are the rates proposed by P.R. Wastewater. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice.

Any corporation, association, body politic, or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate change is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, Post Office Box 515, Frankfort, KY 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the utility office at P.R. Wastewater Management, Inc., 72 Persimmon Ridge Drive, Louisville, KY 40245. Also, the application and all documents filed with the Public Service Commission may be viewed and downloaded at the Public Service Commission's website at <http://psc.ky.gov/>. Upon request from an intervenor, the utility shall furnish to the intervenor a copy of the application and supporting documents.

P.R. Wastewater Management, Inc.