

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)	CASE NO.
WATER SERVICE RATES OF LEBANON WATER)	2017-00417
WORKS)	

**MARION COUNTY WATER DISTRICT'S
REPORT ON REFUND TO CUSTOMERS AND
REQUEST FOR DEVIATION**

Comes now Marion County Water District (“Marion District”), by and through the undersigned counsel, pursuant to 807 KAR 5:067 Sections 7 and 8 and other applicable law, and submits its report on its proposal to refund to its customers the amount refunded to Marion District by Lebanon Water Works Company (“Lebanon”) pursuant to the Commission’s July 12, 2018 Order in the above-styled case. Marion District also respectfully requests permission to deviate from the requirements of 807 KAR 5:067 Section 7 in order to refund the exact amounts of overcollections to be refunded to its customers. In support of the request for deviation Marion District states as follows:

Commission regulation 807 KAR 5:067, Section 7 requires Marion District to notify the Commission in writing when it receives a refund from a supplier within twenty days from the receipt of the refund. Lebanon refunded \$48,935.07 to Marion District on September 12, 2018 as a result of the Commission’s July 12, 2018 Order. Marion District has records of the amount of water used by each customer during the timeframe that Lebanon’s higher rate was being charged. Pursuant to 807 KAR 5:067, Section 7, Marion District is required to calculate a refund factor based on estimated usage for two months following the month the refund is made and the refund

is to be made over a two-month period. Marion District requests a deviation from the requirement to use a refund factor based on estimated bills and a deviation from the requirement to refund the amount over a two-month period because it has worked with its billing vendor to be able to make customer-specific refunds based upon actual data.

Marion District proposes to refund its customers the actual amount each customer overpaid based on the actual usage of each customer during the timeframe that Lebanon was charging the higher rate. The calculations for the refund for each customer would be as follows:

$$\text{Service Refunds} - ((\text{Wrong Rate} * \text{Total Usage})/1000) - ((\text{Correct Rate} * \text{Total Usage})/1000) * -1 = \text{Amount to Refund}$$

This calculation will result in each customer receiving the actual amount the customer overpaid for water service under the higher rate.

In addition to the deviation from the estimation of bills, Marion District requests a deviation from the requirement to spread the refund over two months. Marion District uses an outside vendor for its billing system and would incur additional costs to make the refunds over two months of billing instead of refunding over one month. Marion District states that doing the refunds over one month would save Marion District the added expenses from its billing company. Furthermore, Marion District would request that the refunds be included on its November bills to its customers so as to give the billing vendor time to input the necessary updates to the billing system once the Commission has ruled on Marion District's proposed refund plan and the request for deviation.

Marion District is attaching as Exhibit A the Refund Report that was filed by Lebanon in this case which notified Marion District of the September 10, 2018 refund.

WHEREFORE, Marion District requests an Order granting deviations from the above-mentioned requirements contained in 807 KAR 5:067 Section 7 and an Order approving the refund plan outlined in this report.

Respectfully submitted,



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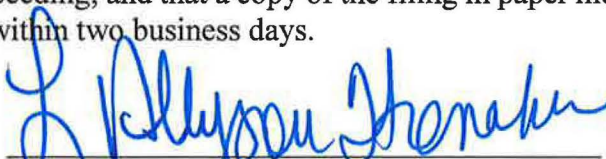
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Counsel for Marion County Water District

CERTIFICATE OF SERVICE

This is to certify that foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on September 21st, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being hand delivered to the Commission within two business days.



Counsel for Marion County Water District

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PROPOSED)
ADJUSTMENT OF THE WHOLESALE) CASE NO. 2017-00417
WATER SERVICE RATES OF)
LEBANON WATER WORKS)

REFUND REPORT

Pursuant to the Commission’s Orders dated July 12, 2018 and July 31, 2018, Lebanon Water Works Company (the “Company”), by counsel, submits the following Refund Report.

1. The Company implemented new rates at the proposed amount requested in its Application, subject to refund, for usage on and after April 16, 2018. The Company has calculated the difference between the proposed rates and the final rates in the July 12, 2018 Order. These calculations are shown in **Exhibit 1**.

2. Marion County Water District (“Marion District”) made payments at the proposed rates in June for service rendered during the period from April 16 – May 15 and in July for service rendered during the period from May 16 – June 15. After the Commission issued its July 12, 2018 Order, the Commission’s approved rates were put into effect for Marion District’s next billing cycle. Excess revenues of \$22,228.32 and \$26,482.04 were collected in June and July, respectively.



3. The Company plans to make these refunds in one lump sum payment on Monday, September 10, 2018. Accordingly, the Company calculated interest through September 10, 2018. Marion District made the June payment on June 7, 2018 and the July payment on July 9, 2018. Interest for the excess amount collected in June was calculated for 95 days. Interest for the excess amount collected in July was calculated for 63 days. For the interest rate, the Company used the average of the Three-Month Commercial Paper Rate for July 12, 2018 of 2.14%.

4. The sum of the excess revenues collected in June and July and the interest calculated through September 10, 2018 results in a total amount to be refunded of \$48,935.07.

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Dated: August 10, 2018

Respectfully submitted,



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*Counsel for Lebanon Water Works
Company*

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Lebanon Water Works Company's August 10, 2018 electronic filing of this Refund Report is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on August 10, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and one copy in paper medium of this Refund Report will be delivered to the Commission on or before August 14, 2018.



Damon R. Talley

Exhibit 1

Overpayment Calculation

	Marion District Payment	Commission Approved Rates	Excess Revenues Collected
June Invoice (for water used 4-16-18 - 5-15-18)	\$165,609.37	\$143,381.05	\$22,228.32
July Invoice (for water used 5-16-18 - 6-15-18)	\$197,275.92	\$170,793.88	\$26,482.04
Total Excess Revenues Collected			\$48,710.36

Interest Calculation

June Invoice Overpayment	\$22,228.32
Per Diem Rate ($\$22,228.32 \times (2.14\%/360)$)	\$1.321
Interest Owed From 6-7-18 - 9-10-18 ($\$1.321 \times 95$ days)	\$125.53
July Invoice Overpayment	\$26,482.04
Per Diem Rate ($\$26,482.04 \times (2.14\%/360)$)	\$1.574
Interest Owed From 6-7-18 - 9-10-18 ($\$1.574 \times 63$ days)	\$99.18
Total Interest to be Refunded	\$224.71

Total Amount to be Refunded **\$48,935.07**