

# Meade County Water District

1003 Armory Place  
Brandenburg, KY 40108

Telephone: (270) 422-5006

Fax: (270) 422-5068

mcwattg@bbtel.com

---

March 22, 2019

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

**Re: *Electronic Application of Meade County Water District For An Adjustment of Rates Pursuant to the Alternative Rate Filing Procedures***  
**Case No. 2019-00044**

Dear Ms. Pinson:

Pursuant to 807 KAR 5:076, Section 17, Meade County Water District respectfully requests a deviation from the following provisions of 807 KAR 5:076 to permit the filing of its application for rate adjustment:

- Section 4(1)(b) – A copy of all outstanding evidences of indebtedness;
- Section 4(1)(c) – A copy of the amortization schedule of each evidence of indebtedness;
- Section 4(1)(d) – A depreciation schedule of all utility plant in service; and,
- Section 4(1) (f) – A detailed analysis of customer bills showing revenues from the present and proposed rates of each customer class.

These deviations are requested due to the unique circumstances that Meade District's request for rate adjustment presents. These circumstances are set forth in greater detail in Meade District's Statement of Reasons for Rate Increase. Until October 2018, Meade District purchased its water requirements from two suppliers, the City of Brandenburg ("Brandenburg") and Hardin County Water District No. 1 ("Hardin District"), each of which used chlorine to disinfect its water. Hardin District, like other water utilities in the region, recently began using chloramine as the disinfectant in its water treatment process. Brandenburg did not. Because mixing of water using different disinfectants is unsafe and because Brandenburg lacked sufficient capacity to supply Meade District's total water requirements, Meade District began purchasing its total water requirement from Hardin District. Hardin District's rate for wholesale service, however, is higher than Brandenburg's rate. It is essential to Meade District's continued financial integrity that the

increased purchased water costs, which are approximately \$90,000, be recovered through a rate adjustment as soon as possible. In the past, Meade District has sought to recover increased purchased water costs through a purchased water adjustment. Use of this rate adjustment mechanism is not available when the increased cost is the result of a change in suppliers.

In Case No. 2018-00430, the Public Service Commission advised Meade District to file for a rate adjustment pursuant to 807 KAR 5:076 and to “request a deviation from procedural requirements . . . that are not relevant or applicable.”<sup>1</sup> This position is supported by the Public Service Commission’s action in Case No. 2002-00295, in which it granted Boone County Water District deviations from certain filing requirements for a general rate adjustment application designed to recover only its increased purchased water costs due to changing water suppliers.<sup>2</sup>

Meade District respectfully submits that the information required by the sections for which a deviation is sought is not necessary to determine the total increase in purchased water cost or to ascertain Meade District’s financial ability to absorb those costs. Accordingly, acceptance of Meade District’s application for filing without those documents will not hinder or impede the Public Service Commission’s ability to review the proposed rate adjustment to recover those costs.

Meade District further requests that the Public Service Commission expedite its review of the proposed rate adjustment and forego the use of a staff report in this proceeding and instead render a decision based upon the information contained in the application and in the Public Service Commission’s files. Prompt action on the requested adjustment is necessary to avoid a significant deterioration in Meade District’s financial condition.

Thank you for your attention to this request. Should the Public Service Commission require any additional information regarding the proposed rate adjustment, please contact me.

Very truly yours



Tim Gossett  
General Manager

---

<sup>1</sup> *Purchased Water Adjustment of Meade County Water District*, Case No. 2018-00430 (Ky. PSC Jan. 22, 2019) at 2.

<sup>2</sup> *Application of Boone County Water District for an Adjustment of Rates*, Case No. 2002-00495 (Ky. PSC Dec. 11, 2002) at 2 (“The regulations from which Boone District is requesting a waiver set forth information that applicants in general rate cases are required to produce. Boone District’s application is, however, only intended to recover the increase in its cost of water resulting from its change of supplier. Therefore, documentation supporting all of Boone District’s expenses may not be required.”).