

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF DEXTER-</b>	)	
<b>ALMO HEIGHTS WATER DISTRICT FOR</b>	)	<b>CASE NO. 2019-00118</b>
<b>AUTHORIZATION TO DEVIATE FROM 807</b>	)	
<b>KAR 5:006, SECTION 14(1)(b)1</b>	)	

**APPLICATION**

Pursuant to 807 KAR 5:001 and 807 KAR 5:006, Dexter-Almo Heights Water District (“Dexter-Almo District”) applies to the Public Service Commission (“Commission”) for authorizations to deviate from 807 KAR 5:006, Section 14(1)(b)1 for a period of five years to permit it to maintain a designated representative at its office fewer than seven hours per day, five days per week.

In support of its Application, Dexter-Almo District provides the following:

1. The full name and post office address of Dexter-Almo District is: Dexter Almo Heights Water District, 351 Almo Road, Almo, Kentucky 42020. Its e-mail address is: dawdoffice@gmail.com.

2. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:<sup>1</sup>

Kathy Wyatt  
Office Manager  
351 Almo Road  
Almo, Kentucky 42020  
(270) 753-9101  
dawdoffice@gmail.com

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<sup>1</sup> On April 8, 2019 pursuant to 807 KAR 5:001, Section 8, Dexter-Almo District notified the Public Service Commission of its election of the use of electronic filing procedures for this proceeding.

3. Dexter-Almo District is a water district created under the provisions of KRS Chapter 74. It is not a corporation, limited liability company or limited partnership and has no articles of incorporation or partnership agreements.

4. By resolution adopted on April 4, 2019, a copy of which is attached to this Application as **Exhibit A**, Dexter-Almo District's Board of Commissioners has authorized the filing of this Application.

5. Dexter-Almo District currently provides water service to approximately 818 customers in eastern portions of Calloway County, Kentucky.<sup>2</sup> It purchases its total water requirements from the City of Murray, Kentucky.

6. Dexter-Almo District currently employs one fulltime employee and two part-time employees. The full-time employee serves as distribution system operator and manager. One part-time employee serves as Dexter-Almo District's office manager and is works approximately 70 hours monthly. The remaining part-time employee is Dexter-Almo District's meter reader.

7. Dexter-Almo District maintains an office in Almo, Kentucky. This office is opened approximately 88 hours per month. During the first ten days of the month, this office is opened six hours each weekday except Wednesdays, between the hours of 8:00 a.m. and 2:00 p.m. After the tenth of the month, this office is opened two hours each weekday, except Wednesdays, between the hours of 9:00 a.m. and 11:00 a.m. On Wednesdays, Dexter-Almo District's office is opened seven hours, between 8:00 a.m. and 3:00 p.m. Dexter-Almo District's office manager also schedules appointments to meet with customers during non-business hours. Dexter-Almo District posts its office hours, including any variations in those hours, on a sign on the front of its office and on its webpage and Facebook page.

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<sup>2</sup> *Annual Report of Dexter-Almo Water District to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2018 ('2018 Annual Report')* at Ref Page 21.

8. 807 KAR 5:006, Section 14(1)(a) requires a utility to post and maintain regular business hours and provide representatives available to assist its customers and to respond to inquiries from the Commission regarding customer complaints. 807 KAR 5:006, Section 14(1)(b) requires a utility to designate at least one representative to be available to answer customer questions, resolve disputes, and negotiate partial payment plans at the utility's office. This designated representative must be knowledgeable of 807 KAR 5:006; 807 KAR 5:001, Section 20; KRS 278.160(2); and KRS 278.225 regarding customer bills and service and authorized to negotiate and accept partial payment plans.

9. 807 KAR 5:006, Section 14(1)(b)1 requires a water utility having annual operating revenues of \$250,000 or more to make its designated representative available during the utility's established working hours not fewer than seven hours per day, five days per week, excluding legal holidays.

10. 807 KAR 5:006, Section 14(1)(b)2 requires a water utility having annual operating revenues of less than \$250,000 to make its designated representative available during the utility's established working hours not fewer than seven hours per day, one (1) day per week.

11. Prior to the year ending December 31, 2018, Dexter-Almo District's annual operating revenues never exceeded \$250,000. Table 1 shows the Dexter-Almo District's reported annual revenues for the preceding ten-year period. Given its level of annual operating revenues, Dexter-Almo District was required to comply with 807 KAR 5:006, Section 14(1)(b)2.

<b>TABLE 1</b>		
<b>Calendar Year</b>	<b>Annual Operating Revenues</b>	<b>Number of Customers</b>
2009	\$196,347	759
2010	\$207,793	759
2011	\$204,696	767
2012	\$207,706	768
2013	\$193,805	769
2014	\$201,261	793
2015	\$203,186	814
2016	\$219,653	805
2017	\$230,305	822
2018	\$275,034	818

12. In the year ending December 31, 2018, Dexter-Almo District’s annual operating revenues were \$275,034.<sup>3</sup> As a result of these increased revenues, Dexter-Almo District must now comply with 807 KAR 5:006, Section 14(1)(b)1, which would require a designated representative available at its office seven hours per day, five days per week.

13. For the reasons set forth below, Dexter-Almo District requests a deviation from 807 KAR 5:006, Section 14(1)(b)1 for five years and authorization to continue to maintain regular business hours and provide representatives available to assist its customers in accordance with 807 KAR 5:006, Section 14(1)(b)2:

a. Dexter-Almo District is adequately addressing its customers’ needs at the current level of office hours. It has not received any customer complaints regarding its office hours or the availability of its personnel. Moreover, the Commission’s Consumer Services Branch has not received any customer complaints regarding Dexter-Almo District’s office hours. Increasing the number of office hours in the absence of a readily identifiable need for such increase will increase Dexter-Almo District’s cost of service without benefiting its customers.

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<sup>3</sup> 2018 Annual Report at Ref Page 9.

b. Given Dexter-Almo District's low customer growth, the increase in office hours is unnecessary. As shown in Table 1, the number of Dexter-Almo District's customers has remained relatively unchanged for the last ten years. It has increased less than eight percent in this period and is not expected to increase significantly in the next five years.

c. Dexter-Almo District has employed alternative and less costly means to address customer needs and concerns. To better communicate with its customers and the general public, Dexter-Almo District maintains a website ([dexteralmowater.com](http://dexteralmowater.com)) and a Facebook page (<https://www.facebook.com/dexteralmowater/>). Through its website, Dexter-Almo District customers can, among other things, obtain a copy of the water district's tariff and water confidence report, learn of upcoming board of commissioner meetings, and receive notice of various changes in its rules and regulations. Similar information can be obtained from the Facebook Page. In addition, Dexter-Almo District posts on its Facebook Page various short notice messages regarding system conditions, such as water line breaks and water advisories. It is considering permitting customers to pay their monthly bills through automated clearing house (ACH) payments and website credit card payments.<sup>4</sup>

d. Dexter-Almo has taken steps to ensure its employees can be easily contacted when its office is not open. The office has an answering machine on which callers may leave messages for water district personnel. These messages are checked every morning. Customers contacting the office during non-business hours are provided the cell phone numbers of Dexter-Almo District's system operator and office manager and are encouraged to contact them for any urgent matter. These telephone numbers and the employees' electronic mail addresses are also posted on Dexter-Almo District's website and Facebook page.

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<sup>4</sup> Customers may currently pay by credit card, but must present their credit card in person. The Water District does not take credit card payments.

e. The proposed increase in office hours will increase its salary expense at least \$3,800 annually, or approximately \$19,000 over the requested five-year period.

f. When placed in historical context, Dexter-Almo District's current level of annual operating revenues does not support the increased office hours. The Commission established \$250,000 demarcation line in 1992 and has never amended or adjusted it. If the demarcation line had been adjusted annually for effects of inflation, it would now be approximately \$465,463. Dexter-Almo District's annual revenues for 2018 are less than sixty percent of that sum.

g. The requested deviation is for a period of five years. At the end of this period, Dexter-Almo District will evaluate the need for the deviation and, if it determines that the need continues to exist, will apply to the Commission for an extension of the deviation.

14. In conclusion, the requested deviation neither impairs nor degrades the quality of Dexter-Almo District current service. It will allow Dexter-Almo District to avoid an unnecessary expense and ensure the continuing affordability of its water service. When the rate of inflation is considered, the requested deviation is consistent with the spirit of the existing regulation.

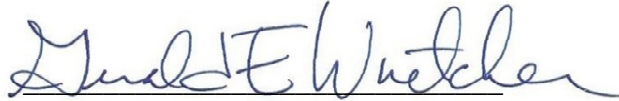
**WHEREFORE**, Dexter-Almo Heights Water District requests:

1. An Order authorizing it to deviate for a period of five years from the requirements of 807 KAR 5:006, Section 14(1)(b)1 and to maintain during that period a designated representative at its office no less than 15 hours per week and not fewer than seven hours per day, one day per week; and

2. Grant any and all such other relief to which Dexter-Almo Heights Water District may be entitled.

Dated: April 22, 2019

Respectfully submitted,

A handwritten signature in blue ink that reads "Gerald E. Wuetcher". The signature is written in a cursive style with a horizontal line underneath the name.

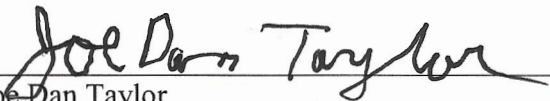
Gerald E. Wuetcher  
Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801  
Telephone: (859) 231-3017  
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*Counsel for Dexter-Almo Heights Water District*

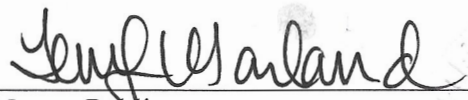
COMMONWEALTH OF KENTUCKY )  
 ) SS  
COUNTY OF CALLOWAY )

The undersigned, Joe Dan Taylor, being duly sworn, deposes and states that he is the Chairman of Dexter-Almo Heights Water District, the Applicant in the above proceedings; that he has read this Application and has noted its contents; that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this April 22, 2019.

  
\_\_\_\_\_  
Joe Dan Taylor  
Chairman, Board of Commissioners  
Dexter-Almo Heights Water District

Subscribed and sworn to before me by Joe Dan Taylor in his capacity as Chairman of Dexter-Almo Heights Water District on this April 22, 2019.

  
\_\_\_\_\_  
Notary Public  
Notary ID: 573385  
My Commission expires: 2/10/21



**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that Dexter-Almo Heights Water District's electronic filing of this Application is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on April 22, 2019; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that on or before April 24, 2019 this Application in paper medium will be delivered to the Public Service Commission.

A handwritten signature in blue ink that reads "Gerald E. Wuetcher". The signature is written in a cursive style and is positioned above a horizontal line.

Gerald E. Wuetcher

# **EXHIBIT A**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
DEXTER-ALMO HEIGHTS WATER DISTRICT AUTHORIZING AN  
APPLICATION TO THE PUBLIC SERVICE COMMISSION FOR A  
DEVIATION FROM 807 KAR 5:006, SECTION 14**

**WHEREAS**, Dexter-Almo Heights Water District is a water district organized pursuant to KRS Chapter 74 and is a utility pursuant to KRS 278.015;

**WHEREAS**, KRS 278.040 authorizes the Public Service Commission to adopt regulations governing the practices and methods that a utility may employ to provide utility service;

**WHEREAS**, pursuant to KRS 278.040 the Public Service Commission has adopted 807 KAR 5:006, Section 14(1)(b), which establishes the hours that a utility must have at least one designated representative available to answer customer questions;

**WHEREAS**, 807 KAR 5:006, Section 14(1)(b)1 requires a water utility with annual operating revenues of \$250,000 or more to make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, five (5) days per week, excluding legal holidays;

**WHEREAS**, 807 KAR 5:006, Section 14(1)(b)2 requires a water utility with annual operating revenues less than \$250,000 to make a designated representative available during the utility's established working hours not fewer than seven (7) hours per day, one (1) day per week;

**WHEREAS**, until the year ending December 31, 2018, Dexter-Almo Heights Water District has always had annual revenues less than \$250,000 and was not required to comply with the requirements of 807 KAR 5:006, Section 14(1)(b)1;

**WHEREAS**, during the year ending December 31, 2018, Dexter-Almo Heights Water District had annual revenues of approximately \$275,000 and is now required to comply with 807 KAR 5:006, Section 14(1)(b)1;

**WHEREAS**, 807 KAR 5:006, Section 28 authorizes the Public Service Commission to permit deviations from 807 KAR 5:006 for good cause shown; and

**WHEREAS**, compliance with 807 KAR 5:006, Section 14(1)(b)1 will unnecessarily increase Dexter-Almo Heights Water District's cost of service without providing any meaningful increase in the quality of such service that Dexter-Almo Heights Water District provides to its customers;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF DEXTER-ALMO HEIGHTS WATER DISTRICT AS FOLLOWS:**

**Section 1.** The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

**Section 2.** Legal Counsel for Dexter-Almo Heights Water District is hereby authorized and directed to take any and all actions to apply to the Public Service Commission for authorization for Dexter-Almo Heights Water District to deviate from the requirements of 807 KAR 5:006, Section 14(1)(b)1 and to be permitted to continue to comply with 807 KAR 5:006, Section 14(1)(b)2 instead.

**Section 3.** The Chairman is hereby authorized and directed to execute any Application to the Public Service Commission necessary to obtain authorization for Dexter-Almo Heights Water District to deviate from the requirements of 807 KAR 5:006, Section 14(1)(b)1 and to be permitted to continue to comply with 807 KAR 5:006, Section 14(1)(b)2 instead.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF DEXTER-ALMO HEIGHTS WATER DISTRICT at a meeting held on April 4, 2019, signed by the Chairman, and attested by the Secretary.**

  
\_\_\_\_\_  
Chairman

**ATTEST:**

  
\_\_\_\_\_  
Secretary