

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OLDHAM  
WOODS SANITATION, INC. FOR  
SUCCESSIVE DEVIATION FROM  
REQUIREMENTS OF 807 KAR 5:006  
AND 807 KAR 5:011

CASE NO. 2020-00330

**APPLICATION OF OLDHAM WOODS SANITATION, INC.**

Comes Oldham Woods Sanitation, Inc. (“OWS”), by counsel and hereby respectfully requests a deviation from the provisions of 807 KAR 5:006 and 807 KAR 5:011 requiring OWS to provide an open office space for consumers 7 hours a week.

1. On September 20, 2017, OWS, a small company that provides wastewater treatment services for approximately 150 customers in Oldham County, Kentucky, submitted its request for a deviation from the provisions of 807 KAR 5:006 and 807 KAR 5:011 requiring OWS to provide an open office space for consumers 7 hours a week. The request of OWS was assigned PSC Case No. 2017-00393.

2. In PSC Case No. 2017-00393, Commission Staff served its First Request for Information on OWS on October 26, 2017. On November 9, 2017, OWS filed its Answers to the First Requests for Information. (See Attachment A). No additional information requests were served on OWS in PSC Case No. 2017-00393.

3. On January 11, 2017, the Commission issued its Order granting OWS’ request to deviate in part and denying it in part. The Commission stated, “OWS’s request to deviate from 807 KAR 5:006, Sections 10(1), 14(1), 14(1)(b)(2), 14(1)(c)(1), 14(3)(b), 23 and 24; and 807 KAR 5:011, Sections 2(4), 8(4)(e), and 12 is granted for a period of three years from the date of the entry of this Order. The Commission further stated, “OWS’s request to deviate from 807

KAR 5:006, Section 3(a) and 807 KAR 5:011, Section 3(2)(a) is denied.” (See Ordering paragraphs 1, 2, and 3 of the Commission’s January 11, 2017 Order; Attachment B).

4. The Commission’s January 11, 2017 Order entered in PSC Case No. 2017-00393 further stated that “No less than three months prior to the expiration of the deviation granted through this Order, OWS shall file a written notice indicating whether it will submit a request for a successive deviation.” Accordingly, OWS is now requesting a successive deviation from those regulations, on a permanent basis, or for an amount of time to be determined by the Public Service Commission.

5. OWS states that the deviation granted by the Commission has been both helpful and successful. Since January 2018, only two (2) customers have had questions for OWS, and both of these inquiries were handled easily over the telephone and by e-mail. In one case, the customer needed information about how to set up a new account, and the customer was directed to the Oldham County Water District. In the other case, the customer had just had water turned on for the first time, but had not yet installed any indoor plumbing, and requested sewer service fees be waived until he did so. OWS granted that request. In both cases, neither customer would have benefitted from an in-person meeting in an office, especially if the office would only be open one day (seven hours, as required for a utility the size of OWS) per week. Both customers’ needs were met, and were met in a timely fashion.

6. The experience gained by businesses operating during the COVID-19 pandemic supports the granting of OWS’ request for deviation on a permanent basis. During the pandemic, businesses have had to adjust to many changes in customer contact, and have learned that a good deal of business transactions once expected to be done in a face-to-face setting can be conducted efficiently and effectively by telephone, e-mail, and virtual web meetings. Even Commission

staff and other public servants are working remotely. OWS's use of a virtual office provides its customers with both convenience and a protective safety barrier.

7. In addition to providing OWS's customers with convenience and safety, granting this request for successive deviation will enable OWS to avoid having to increase its rates to pay for an office and personnel to staff the office. These administrative costs could be higher than previously projected in 2017 due to the need to protect both the office personnel and customers from COVID-19.

WHEREFORE, Oldham Woods Sanitation, Inc., respectfully requests that the Commission:

- 1) Enter an Order granting Oldham Woods Sanitation, Inc., deviation from the provisions of 807 KAR 5:006 and 807 KAR 5:011 requiring Oldham Woods Sanitation, Inc., to provide an open office space for consumers 7 hours a week; and
- 2) Grant any other relief to which Oldham Woods Sanitation, Inc., may be entitled.

Respectfully submitted,

/s/ Robert C. Moore

Robert C. Moore  
STITES & HARBISON PLLC  
421 West Main Street  
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COUNSEL FOR OLDHAM WOODS  
SANITATION, INC.

# **ATTACHMENT A**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

**RECEIVED**

NOV 09 2017

PUBLIC SERVICE  
COMMISSION

In the Matter of:

OLDHAM WOODS SANITATION, INC. )  
REQUEST FOR DEVIATION FROM ) CASE NO.  
807 KAR 5:006 AND 807 KAR 5:011 ) 2017-00393

OLDHAM WOODS SANITATION, INC.'S ANSWERS

TO FIRST REQUESTS FOR INFORMATION

Oldham Woods Sanitation hereby provides the following information, under oath, in response to the First Requests for Information from the Public Service Commission and states any updated information will be provided in a timely fashion.

1. Refer to the Application, unnumbered page 1, which requests a deviation from 807 KAR 5:006 and 807 KAR 5:011. Also, refer to the Periodic Compliance Inspection Report attached as an Appendix to this request. OWS was cited for eight deficiencies related to 807 KAR 5:006 and six deficiencies related to 807 KAR 5:011 .

Identify the administrative regulations for which OWS requests a deviation by full citation, which includes the section and subparts (e.g., 807 KAR 5:006, Section 14(1)(b)(2)).

ANSWER:

A. 807 KAR 5:006, Section 3(a). Deviation requested: to provide a post office box only, no street address.

B. 807 KAR 5:006, Section 10(1). Deviation requested: to be exempted from the requirement for a physical office, providing alternately that customers will be able to correspond and make complaints via mail, email, telephone all of which will generate prompt response from OWS.

C. 807 KAR 5:006, Section 14(1). Deviation requested: Rather than provide a physical office for 7 hours per week, OWS proposes to make a representative available to respond to emails, letters, phone calls as they arrive and whenever they arrive not just within seven hours of physical office time each week.

D. 807 KAR 5:006, Section 14 (3b). Deviation requested: To provide no physical office space. The Oldham Water District handles all billing and service-related questions therefore such a deviation in no way affects the current system.

E. 807 KAR 5:006, Section 14(1)(b)(2). Deviation requested: To allow OWS to make a representative available for more than 7 hours per week, via website through which customers can reach out to OWS at any convenient time and OWS can respond promptly and not just during seven designated hours per week.

F. 807 KAR 5:006, Section 14(1)(c)(1). Deviation requested: To post summary document on website instead of on website and at a physical office space.

G. 807 KAR 5:006, Section 23. Deviation requested: Allow the OWS website to serve as a virtual office upon which to post system maps and records in lieu of a physical office address.

H. 807 KAR 5:006, Section 24. Deviation requested: OWS does not request to deviate from this regulation, except to clarify that that documents are currently kept in a private home which acts as a 'home office,' but is not open to the public. Records are now and have been available for perusal by the commission.

I. 807 KAR 5:011, Section 2(4). Deviation requested: Posting of the tariff on the virtual website space in lieu of physical office address.

J. 807 KAR 5:011, Section 3 (2)(a). Deviation requested: OWS will utilize a website as its virtual office and asks for an exemption from making a physical address available to the public.

K. 807 KAR 5:011, Section 8(4)(e). Deviation requested: Allow the posting of the tariff online rather than to be filed at a physical address.

L. 807 KAR 5:011, Section 12. Posting Tariffs, Administrative Regulations, and Statutes. Deviation requested: To post tariff, administrative statutes and regulations on the website rather than in a physical office.

M. 807 KAR 5:011, Section 12(2). Deviation requested: OWS wishes to substitute a website for a physical office allowing customers the ease of accessing the information from wherever they would like obviating the necessity of providing a desk.

N. 807 KAR 5:011, Section 12(2)(a). Deviation requested: Post all tariffs, supplements, rates, classifications, charges, rules, requirements, contracts, applications applicable on website rather than in a physical office.

2. Refer to the Application, unnumbered page 1, which states that OWS has obtained a website for its customers.

a. Confirm that the website is active.

Answer: Confirmed.

b. State whether OWS customers have utilized the website. If customers have utilized the website, provide any reactions or responses received from customers.

Answer: Unknown. No responses or reactions received.

c. Provide an itemized statement of the costs associated with:

i. Obtaining the website;

Answer: 1-time fee of \$306.00 to obtain domain

1-time fee of \$200.00 to design site

ii. Maintaining and updating the website;

Answer: 1-time fee for future ongoing maintenance \$100.00

d. Any additional costs that OWS will be charged for this website.

Answer: For the foreseeable future, nothing beyond the \$9.90 annual fee.

Explain whether the costs incurred to operate and maintain the website will require OWS to file a request for a rate increase in the future.

Answer: No rate increase will be necessary to pay for the above costs.

3. Refer to the Application, unnumbered pages 1-2, which state that the increased costs of renting and staffing an office would result in a rate increase to pass through the increased costs.

a. Provide a detailed schedule of OWS's estimated annual cost to rent office space.

Answer: Based on a sampling of business space rental in the area, it is estimated the annual cost of office space in Oldham County for a 500 square-foot office would be \$7725.00 annually. Documentation which supports this estimate is included in the attachments showing rental costs ranging from \$12.50 per square foot to \$20.33 per square foot.

b. Provide a detailed schedule of the estimated annual cost to OWS to hire a new employee to staff its office for seven hours per week.

Answer: If a qualified person could be found who was agreeable to working only 7 hours per week, it is estimated that an hourly wage would be \$10-15 per hour, resulting in an annual cost of \$4160 to \$6240.

c. Provide an estimated monthly increase in OWS's rates if OWS were to rent and staff an office for seven hours per week.

Answer: At the low end of rent and staffing, the annual cost to OWS would be approximately \$6250 for rent and \$4160 for staff (total \$10,410), but potentially as much as \$7725 and \$6240 (total \$13,965). To increase annual costs by the low total of \$10,410, OWS would need to increase monthly rates by about \$5.80 per customer, and on the higher end, by \$7.75. The rate of \$47.27, which went into effect this time last year, would have to increase to approximately \$53.07 or \$55.02.

4. Refer to the Application, unnumbered page 1, which states that Oldham County Water District ("Oldham District") provides online bill payments for OWS customers.

a. Explain whether Oldham District provides a representative to handle billing disputes and negotiate partial payments on behalf of OWS.

Answer: All OWS customers are also customers of OCWD. OCWD does provide representatives to handle billing disputes and negotiate partial payments on behalf of OWS. They provide this service for all of their customers, including those served by OWS, as well as for the customers of any other waste water treatment plants whose billing they handle.

b. Confirm that Oldham District accepts payment on behalf of OWS by mail, in person, by direct bank withdrawal, and by credit card.

Answer: Yes, OCWD accepts payments from OWS customers as well as their other customers by mail, in person, by credit card, and direct bank withdrawal.

5. Refer to the Application, unnumbered page 1, which states that the proposed website would be used to contact OWS or the plant operator.

a. Confirm that OWS customers contact Camden Environmental Service Company ("Camden") to report service issues.

Answer: Yes, contacting Camden is the way to handle all service issues.

b. Explain whether Camden staffs the emergency telephone number 24 hours per day.

Answer: Yes, the operator takes calls at the emergency number at all times.

6. Explain how customers contact OWS to request new service or discontinue existing service. Provide the address and telephone number if contact is in person, by mail, or by telephone.

Answer: Customers do not contact OWS to begin or discontinue service – they contact the OCWD to do that. OCWD can be contacted in these ways:

write:

Oldham County Water District  
PO BOX 51  
Buckner, Kentucky 40010

visit physical address -  
2160 Spencer Court  
LaGrange, Kentucky 40031



Phone (502) 222-1690 Fax (502) 222-1694

e-mail - ocwd@oldhamcountywater.com

7. If OWS has a telephone number for non-billing and non-emergency customer service, provide the telephone number and the name and position of the contact person or persons for OWS.

Answer: (502) 387-5465, Patience Martin, President.

8. If OWS's deviation request is approved, explain how customers who do not have access to a computer will contact OWS.

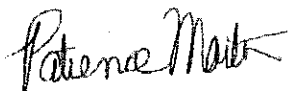
Answer: Customers without e-mail or computer access who wish to do so can contact OWS by mail at PO Box 23226, Anchorage, KY 40223, or by telephone at (502) 387-5465.

9. Refer to the Application, unnumbered page 3, which states that a copy of a March 25, 2016 request to deviate from KAR 5:076 and a copy of the Commission's response to that request was attached to the application. These documents were omitted from the Application. Provide a copy of the referenced documents.

Answer: Included below is Exhibit 1a, a copy of the OWS letter to the PSC, which was sent on August 15, 2017, in response to Brian Rice's Inspection Report. Included in that letter (the last 2 pages) are copies of the two documents (Exhibits 1b and 1c) referenced just above:

Oldham Woods Sanitation appreciates the opportunity to address the Commission's questions and concerns. Thank you in advance for your consideration.


Sincerely,

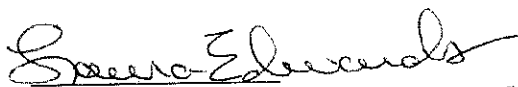


Patience Martin, President  
Oldham Woods Sanitation, Inc  
PO Box 23226  
Anchorage, KY 40223

STATE OF KENTUCKY

COUNTY OF JEFFERSON

Acknowledged, subscribed and sworn to before me by Patience Martin, CEO  
& President of OWS on this 8<sup>th</sup> day of November, 2017. 



Notary Public

Commission Expires:

05/13/2019

Exhibits 1a, 1b, 1c to follow

(Exhibit 1a)

August 15, 2017

Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
PO Box 615  
Frankfort, KY 40601

Dear Commissioners,

I'm writing this letter in response to the recent inspection report filed by Brian Rice. He noted 2 areas of concern (structural issues), and 14 deficiencies which are all related to the lack of office space.

First, I would like to address the areas of concern: the lagoon piers. The plant operator, Larry Smither, is monitoring the condition of the piers, and reporting to me regarding their safety. I fully intend to make the necessary repairs or new construction in the near future, and I trust the piers will be a non-issue before the next inspection.

Next I would like to address the deficiencies regarding regulations that specify the use of an office. I propose to fulfill the plant's responsibility to the customers without creating undue hardship for the plant's president or its customers.

It is my belief that these regulations were created to give utility customers access to information about their utility companies. While most customers may have no interest in accessing this information, it should be available to those who do want that information. Making this information available to customers for only a limited number of hours per week, possibly hours that are inconvenient to them, and, in the case of a home office situation, at a location that is inconvenient to them, would be a disservice. It would fulfill the letter, but not the spirit, of these regulations. I propose to fulfill the spirit - to make all required information available to the customers not just 7 hours per week, but 7 days per week, 365 days a year, in a cost-effective way - and, with your permission, to deviate only from the letter of this regulation. I propose, and have already secured, a web site for Oldham Woods Sanitation customers. This site is an efficient, cost-effective, and convenient alternative to a physical office, and provides everything a customer would need. It will serve as a virtual office, and will address all of the customers' needs without limiting the hours of access. It will provide access to the tariff, as well as the means to contact me or the plant's operator, and to connect to Oldham County Water District, which provides online bill pay for the OWS customers. For most customers, access to this information would be as close as their cell phones or laptops, and for the few who are less technologically savvy, it would be only as far as the LaGrange Library, which offers free computer access to LaGrange citizens.

I request a deviation from KAR 5:006 and 5:011 on the following grounds: If office space is to be rented for 7 hours per week, and a representative (either I or someone else) is to be paid for working those 7 hours per week, it would put an undue hardship on the

customers, as the funds to cover office rental and worker compensation would have to be passed onto them. Oldham Woods Sanitation would have to request another rate increase, and overall customer bills would increase.

I'm speaking not just on behalf of Oldham Woods Sanitation, but on behalf of all small utilities. Requiring us all to have a separate office is putting an undue hardship on the customers as well as the owners and presidents. It will divert time and resources that could be better spent on improving and maintaining the plants.

I think it's important to add that even before I decided to establish an Oldham Woods Sanitation web site, I had been maintaining a home office, which I organized when I took over as president. Prior to that, my other family members had also maintained home offices. That alone should address some of the deficiencies noted in the recent report. My home is where I keep records and pay the bills, but I consider this a private office, rather than a public one. I'm often working on bookkeeping tasks or correspondence between the hours of 11pm and 2 or 3am. These are the hours I am free to work, but they are by no means regular hours. I am, however, available and willing to meet with customers, PSC representatives, or other interested parties during more typical business hours, by appointment – given reasonable notice. For instance, in May of 2016, I put my OWS file folders in a bag, and met with two PSC representatives at a local coffee shop. On other occasions, I have met with people at similar locations, or at the plant site. If I were the customer, I would much prefer making an appointment that suits my schedule over having to stop in during the 7 hours per week that the utility is open. While I understand it may be unusual not to have a public office, larger utilities such as LG&E or the Oldham County Water District maintain offices because they have so many employees (while OWS has none) and they have enough customer and industry foot traffic to necessitate office space.

Turning my home into a public office would present a hardship and inconvenience for OWS customers, as they all live in another county, approximately 20 miles from my current residence. It would be a greater hardship for me, and even a potential hazard. I am a single female, currently living alone on a quiet street which sees little traffic. It's all well to say I have a home office open only 7 hours per week, but once people have my home address, they have it at all hours of the day and night, and that would cause me much concern. I am a customer of LG&E, KU, and Louisville Water. I have access to pay my bills, inquire about service, and examine my rates, but I don't have those company officers' home addresses, nor do I want or need them. Forcing me to provide my home address to the public would compromise my personal safety. Forcing me to rent and staff office space would raise my customers' rates unnecessarily.

In this letter, the deficiencies have been addressed in a general way, but here I'm also addressing them more specifically:

1, 8, 10, 14: These issues have already been addressed by OWS previously maintaining a home office and a PO box.

7: Camden Environmental Service Company has the maps in question. These maps will also, upon acceptance of the deviation request, be scanned and added to the OWS web site.

4: The Oldham County Water District has for some years been subcontracted to receive payments from OWS customers, as well as to negotiate partial payments, and that entity has maintained an office all this time.

2, 3, 5, 6, 9, 11, 12, 13: These issues will, upon acceptance of the deviation request, be addressed by maintaining a web site.

On March 25, 2016, Oldham Woods Sanitation, Inc requested a deviation from KAR 5:076. A copy of that request is enclosed. Also enclosed is a copy of the PSC response, granting that request.

I believe that when the PSC granted that request, a precedent was set for granting this current deviation request. It is not my intention for Oldham Woods Sanitation to shirk its responsibilities to its customers, but rather to consider their needs and my own, as well as my fiduciary responsibility, and provide a 21<sup>st</sup> century means to meet all of our needs.

Respectfully submitted,

Patience Martin, President  
Oldham Woods Sanitation, Inc  
PO Box 23226  
Anchorage, KY 40223

(Exhibit 1b)

March 25, 2016

Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
PO Box 615  
Frankfort, KY 40601

Dear Sirs,

Enclosed please find an original and five copies of an Alternate Rate Filing application for Oldham Woods Sanitation, Inc sewer utility. A copy of this filing has also been sent to the Office of the Kentucky Attorney General. Also enclosed are copies of supporting documentation, the notice mailed to customers, and a sworn verification of mailing. Please incorporate by reference in this case the Oldham Woods annual reports which are on file with the Commission. Oldham Woods proposes that the rates become effective on April 30, 2016, and has provided a proposed tariff to that effect within this filing.

We respectfully request permission to deviate from one regulation in filing this application. 807 KAR 5:076, Section 5 (4) (e) states that the customer notice must include "a statement that a person may examine this application at the offices of (utility name) located at (utility address)." Due to the fact that Oldham Woods does not maintain an office that has regular business hours, we request to deviate from that regulation.

With that one exception, Oldham Woods has made every effort to comply fully with the Commission's ARF requirements. If any filing requirements have been inadvertently overlooked, please consider this a request to grant a waiver, on the grounds that all relevant information has been provided to allow this case process to begin.

Finally, please note that Oldham Woods is operating with very little cash, and therefore hopes to avoid incurring legal fees related to this application. We therefore would be greatly appreciative if the Commission and its Staff could provide the assistance and procedural flexibility necessary to accomplish this goal.

Respectfully submitted,

Patience Martin, President  
Oldham Woods Sanitation, Inc  
PO Box 23226  
Anchorage, KY 40223

(Exhibit 1c)

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF OLDHAM WOODS  
SANITATION, INC. FOR RATE ADJUSTMENT  
PURSUANT TO 807 KAR 5:076

ORDER

CASE NO.

2016-00131

On March 28, 2016, Oldham Woods Sanitation, Inc. ("Oldham Woods") filed an application for rate adjustment pursuant to 807 KAR 5:076. In its application, Oldham Woods requests to deviate from 807 KAR 5:076, Section 5(4)(e), which requires a utility's customer notice to contain a statement that a person may examine the utility's application at the offices of the utility. The Commission will treat Oldham Woods' request as a motion for deviation.

As the basis for its request, Oldham Woods states in its application that it does not maintain an office that has regular business hours. Oldham Woods further states that it mailed written notice of its application for Rate Adjustment to each of its customers. A copy of the customer notice is attached to Oldham Woods' application. Based on a review of Oldham Woods' request, the Commission finds that Oldham Woods has established good cause to permit it to deviate from the requirement of 807 KAR 5:076, Section 5(4)(e), and that its request should be granted.

IT IS THEREFORE ORDERED that:

1. Oldham Woods' request for deviation from the requirement of 807 KAR 5:076, Section 5(4)(e), is granted.
2. Oldham Woods' application is deemed filed as of the date of this Order.

ATTEST:

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Acting Executive Director *R-*

By the Commission

ENTERED

**APR 11 2016**

KENTUCKY PUBLIC  
SERVICE COMMISSION

Case No. 2016-00131

\*Denotes Served by Email Service List for Case 2016-00131

\*Oldham Woods Sanitation, Inc.

P. O. Box 23226

Anchorage, KY 40223

\*Patience Martin

President

Oldham Woods Sanitation, Inc.

P. O. Box 23226

Anchorage, KY 40223

# **ATTACHMENT B**



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF OLDHAM WOODS	)	
SANITATION, INC. REQUEST FOR	)	CASE NO.
DEVIATION FROM 807 KAR 5:006	)	2017-00393
AND 807 KAR 5:011	)	

ORDER

On September 28, 2017, Oldham Woods Sanitation, Inc. ("OWS") filed a motion requesting Commission approval to deviate from certain administrative regulations that require a utility to maintain an office with specific business hours and to make a designated representative available for customer inquiries.<sup>1</sup> OWS filed its motion after being cited in a Periodic Compliance Inspection Report for allegedly violating the regulations from which it now requests a deviation.<sup>2</sup> OWS proposes a deviation to permit it to offer a website in lieu of providing office space, specific business hours, a telephone, and designated representative available for customer inquiries.

OWS requests to deviate from the following regulations:

- 807 KAR 5:006, Section 3(a), which requires a utility to provide the Commission with the address of its principal office in Kentucky, including street address.
- 807 KAR 5:006, Section 10(1), which provides that, upon complaint to a utility by a customer at the utility's office, by telephone, or in writing, the utility shall make prompt and complete investigation.

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<sup>1</sup> In its motion, OWS sought to deviate from the entirety of 807 KAR 5:006 and 807 KAR 5:011. In its response to a subsequent data request, OWS clarified that it sought to deviate from only the specified regulations.

<sup>2</sup> See Commission Staff's First Request for Information (filed Oct. 26, 2017), Appendix, August 11, 2017, Periodic Inspection Report.

- 807 KAR 5:006, Section 14(1), which 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(3)(b), which 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.
- 807 KAR 5:006, Section 14(1)(b)(2), which requires a utility with an annual operating revenue of less than \$250,000 to make a designated representative available during established working hours not fewer than seven hours per day, one day per week.
- 807 KAR 5:006, Section 14(1)(c)(1), which requires a utility to display a summary of customers' rights in its office open to the public for customer service and on its website.
- 807 KAR 5:006, Section 23, which requires a utility to have a system map on file at its principal office located within Kentucky and on file with the Commission.
- 807 KAR 5:006, Section 24, which requires that all utility records be kept in the utility office and be made available to Commission Staff upon reasonable notice at all reasonable hours.
- 807 KAR 5:011, Section (2)(4), which requires a utility to make a copy of its tariff available for public inspection in the utility's office or place of business.
- 807 KAR 5:011, Section 3(2)(a), which requires that a tariff sheet filed with Commission contain the utility's name, mailing address, and street address of the principal office if different from the mailing address, and website.

- 807 KAR 5:011, Section 8(4)(e), which requires that any notice of a change to a charge, fee, or condition of service should include a statement that a person may examine the tariff filing at the utility's offices.
- 807 KAR 5:011, Section 12, which requires a utility to display in its office that its tariff and applicable administrative regulations and statutes are available for public inspection.
- 807 KAR 5:011, Section 12(2), which requires a utility to provide a suitable table or desk in its office on which it shall make available for public viewing a copy of all effective tariffs.

As a basis for its request, OWS explains that it is a privately-owned small sewer system with a principal office located in the private home of its President. OWS further explains that it contracts with third parties for services provided to OWS's 135 customers in Oldham County, Kentucky. OWS contracts with Camden Environmental Service Company ("Camden") to operate and maintain OWS facilities. OWS customers contact Camden's office during regular business hours or on an after-hours emergency number to report service issues. OWS contracts with Oldham County Water District ("OCWD") to provide designated customer service representatives available to handle complaints and billing disputes, negotiate partial payments, and establish new service or discontinue existing service. OCWD representatives are available in person at OCWD's office, or by email, telephone, or mail. Additionally, OWS maintains a post office box and telephone number for customers who have non-emergency customer service questions. OWS President Patience Martin is available to meet with customers by appointment at the plant site or other public location.

OWS argues that the cost to rent and staff an office in order to comply with the regulations is not justified in light of the services provided to customers by third parties. OWS estimates that the annual cost to rent an office space would be \$7,725, based upon rental costs between \$12.50 per square foot to \$20.33 per square foot, and that the annual cost of staffing the office seven hours per week would be \$4,160 to \$6,240, based upon an hourly wage of \$10 to \$15 per hour. OWS further argues that it would have to increase its flat fee monthly rate from \$47.27 per month to between \$53.07 and \$55.02 per month if it were required to rent and staff an office.

OWS proposes to provide a website in place of a physical office to serve as a virtual office for OWS. The website would include links to OWS's tariff and system map, as well as the means to contact Camden, OCWD, or OWS. OWS contends that a website provides 24-hour customer service, which expands the regulatory requirement that a utility the size of OWS provide a representative seven hours per day, one day per week. OWS further contends that, since Camden provides maintenance services and OCWD provides customer service, permitting OWS to offer a website in place of a physical office does not change the type and availability of service that is currently provided to OWS customers.

In connection with its request, OWS established a website that is currently in operation. The website address is: [www.oldhamwoodssanitation.com](http://www.oldhamwoodssanitation.com). The cost to set up the website included a one-time \$606 fee, which represents \$306 to obtain the domain name, \$200 for web design, and \$100 for future maintenance. OWS does not expect to pay additional fees to provide the website other than the \$9.90 annual fee it pays for the

website. OWS argues that it will not have to increase its rates to offer required services via the website.

807 KAR 5:006, Section 28, and 807 KAR 5:011, Section 15, provides that the Commission may grant a deviation from its general rules in special cases for good cause shown. Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that OWS has established good cause and should be allowed to deviate only from the following regulations that relate to requirements to provide an office space and a designated representative so that customers may access information that affects customers' accounts: 807 KAR 5:006, Sections 3(a), 10(1), 14(1), 14(1)(b)(2), 14(1)(c)(1), 14(3)(b), 23, and 24; and 807 KAR 5:011, Sections 2(4), 8(4)(e), and 12.

The facts presented in this matter support a finding that OWS's request presents a special case. Of the regulations for which the Commission has granted deviation, the requirements that customers have direct access to customer service representatives and customer service information are satisfied by contractual relationship between OWS and third parties. Therefore, the Commission finds that OWS customers have a reasonable means of direct access to representatives who are capable of answering questions, resolving disputes, and negotiating partial payment plans.

Other requirements, such as public access to OWS's existing and proposed tariffs, and OWS system map could be provided via links on OWS's website. For example, OWS could create a link on its own website to the OWS system map on the Kentucky Infrastructure Authority ("KIA") Kentucky Wastewater Mapping website. The Commission finds that OWS should include on its website links to its current tariff; to any proposed

tariffs filed in the future with the Commission; to its system map on the KIA website; and contact information for Camden, OCWD, and OWS.

The Commission further finds that renting office space and hiring an additional employee to meet the regulatory requirements to provide an office space for customer service purposes is a significant financial burden to OWS at this time. Per its 2016 annual financial report filed with the Commission, OWS operated at a \$5,803 deficit for calendar year 2016, with operating revenues of \$56,675, and operating expenses of \$62,478. Using the low end of the range provided by OWS, renting an office and hiring an employee would increase OWS's annual operating expenses by \$11,885, or approximately 19% percent.

The Commission further finds that OWS failed to establish good cause and therefore its request to deviate from 807 KAR 5:006, Section 3(a) and 807 KAR 5:011, Section 3(2)(a) should be denied. 807 KAR 5:006, Section 3(a), which requires a street address of the principal office be on file with the Commission, and 807 KAR 5:011, Section 3(2)(a), which requires that a tariff sheet filed with Commission contain the street address of the principal office if different from the mailing address, serve an administrative function separate from regulations related to customer service. Thus, OWS's argument that deviation from 807 KAR 5:006, Section 3(a) and 807 KAR 5:011, Section 3(2)(a) is justified on customer service grounds fails. In another argument, OWS raises privacy and safety concerns if its street address was made public because OWS's principal office is in a private home. However, OWS's street address is already publicly available in public filings with the Kentucky Secretary of State. OWS and its registered agent share the same street address, which is publicly available on the Kentucky Secretary of State's

website pursuant to KRS 14A.4-020, which requires the registered agent's street address be included in public filings with the Kentucky Secretary of State. Based on the above, the Commission finds that OWS failed to establish good cause to deviate from 807 KAR 5:006, Section 3(a) and 807 KAR 5:011, Section 3(2)(a).

Last, the Commission finds that a permanent deviation is not warranted and that the deviation granted through this Order should be for a term of three years from the date of entry of this Order. Prior to the expiration of the deviation, OWS should provide written notice as to whether it will request a successive deviation. If OWS applies for a successive deviation, OWS should be prepared to demonstrate that its alternatives provide reasonable access to customer service representatives and customer service information required by 807 KAR 5:006, Sections 3(a), 10(1), 14(1), 14(1)(b)(2), 14(1)(c)(1), 14(3)(b), 23, and 24; and 807 KAR 5:011, Sections 2(4), 8(4)(e), and 12. The Commission further finds that if OCWD loses authorization to negotiate settlements, implement partial settlements, or resolve disputes on behalf of OWS, then OWS should promptly inform the Commission through a written notice.

IT IS THEREFORE ORDERED that:

1. OWS's request to deviate is granted in part and denied in part.
2. OWS's request to deviate from 807 KAR 5:006, Sections 10(1), 14(1), 14(1)(b)(2), 14(1)(c)(1), 14(3)(b), 23, and 24; and 807 KAR 5:011, Sections 2(4), 8(4)(e), and 12, is granted for a period of three years from the date of entry of this Order.
3. OWS's request to deviate from 807 KAR 5:006, Section 3(a) and 807 KAR 5:011, Section 3(2)(a) is denied.

4. OWS shall file documents in compliance with 807 KAR 5:006, Section 3(a) and 807 KAR 5:011, Section 3(2)(a) within 30 days of the date of entry of this Order

5. No less than three months prior to the expiration of the deviation granted through this Order, OWS shall file a written notice indicating whether it will submit a request for a successive deviation. If OWS, through the written notice, indicates that it does not plan to request a successive deviation, OWS shall state how it will comply with from 807 KAR 5:006, Sections 3(a), 10(1), 14(1), 14(1)(b)(2), 14(1)(c)(1), 14(3)(b), 23, and 24; and 807 KAR 5:011, Sections 2(4), 8(4)(e), and 12.

6. If at any point while the deviation granted through this Order is in effect OCWD loses authorization to negotiate settlements, implement partial settlements, or resolve disputes, OWS shall provide written notice to the Commission's Executive Director within seven days of the designated representative's loss of an authorization described above.

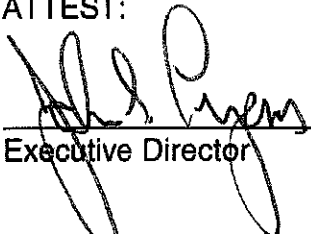
7. Any document filed in the future pursuant to ordering paragraphs 5 or 6 shall reference this case number and shall be retained in the utility's general correspondence file.



By the Commission

ENTERED  
JAN 11 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2017-00393

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