

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC APPLICATION OF GRAYSON )  
COUNTY WATER DISTRICT FOR A RATE ) CASE NO. 2021-00191  
ADJUSTMENT PURSUANT TO 807 KAR 5:076 )**

**RESPONSE OF GRAYSON COUNTY WATER DISTRICT  
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Grayson County Water District submits its Response to the Commission Staff's First Request for Information.

Dated: February 21, 2022

Respectfully submitted,

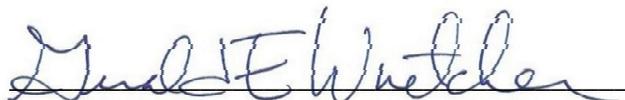


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**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that this document was submitted electronically to the Public Service Commission on February 21, 2022 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.



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**FILED: February 21, 2022**



**GRAYSON COUNTY WATER DISTRICT**

**Response to Commission Staff’s Second Request for Information  
Case No. 2021-00191**

Question No. 1

Responding Witness: Kyle Cannon

**Q-1. Provide the number of instances by year where Grayson District inspected a customer’s service line for calendar years 2017 through 2021.**

A-1. Grayson County Water District assumes that the question is requesting the number of instances in which it inspected a newly installed service line as required by 807 KAR 5:066, Section 9(3) to determine it is free from any tee, branch connection, irregularity or defect See table below.

<b>Year</b>	<b>Number of Inspections</b>
2017	0
2018	1
2019	0
2020	0
2021	1

[807 KAR 5:066](#), Section 9(3) requires a utility to inspect a new service line to determine it is free from any tee, branch connection, irregularity or defect. It further provides that a utility “may substitute for its inspection an inspection by the appropriate state or local plumbing inspector, if proof of that inspection is presented to the utility by the customer.”

[815 KAR 20:050](#), Section 1(1)(d) requires that a plumbing permit be obtained for a new water service line or a water service line that is to be replaced. [815 KAR 20:150](#), Section 1((1) requires an inspection of the water service line for compliance with the State Plumbing Code prior to the service line being concealed or covered. Grayson County Water District’s Rules and Regulations provide that no service line may be connected to its facilities with a showing that a plumbing permit has been obtained for the service line and the installation is in accordance with the State Plumbing Code. (See Grayson County Water District Tariff, Original Sheet No. 36.)

[KRS 318.015\(3\)](#) exempts farmsteads from the provisions of the State Plumbing Code. A farmstead is “a farm dwelling together with other farm buildings and structures incident to the operation and maintenance of the farm situated on ten (10) acres or more of land which is located outside the corporate limits of a municipality.” [KRS 318.010\(8\)](#).

Inspection of service lines by Grayson District employees, therefore, only occurs if a farmstead is involved. All non-farmsteads must obtain a plumbing permit. A plumbing

permit will substitute for an inspection by Grayson District employees. If a farmstead owner requests a service, Grayson District advised the owner that he or she must obtain a certificate from the local health department attesting that his or her property is a farmstead and is exempted from the requirement for a plumbing permit. The owner is also encouraged to obtain a plumbing permit as the cost for a plumbing permit (\$45.00) is significantly less than the Grayson District's inspection fee(\$100.00). In most instances, the farmstead owner recognizes the savings resulting from obtaining a plumbing permit and applies for such permit.

This practice prevents diversion of Grayson District's resources from activities essential and necessary to the provision of water service. If a Grayson District field employee is inspecting a service line that could be more efficiently and less costly by the state plumbing inspector, that employee is prevented from performing critical tasks such as water line maintenance and repair. Moreover, the practice results in a more efficient allocation of resources as the inspection will be performed by a plumbing inspector who specifically trained to perform the inspection and who by performing inspections on a daily basis is better positioned to perform the inspection in an efficient and cost-effective manner.

**GRAYSON COUNTY WATER DISTRICT**

**Response to Commission Staff’s Second Request for Information  
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Question No. 2

Responding Witness: Kyle Cannon

**Q-2. Provide the number of instances by year where a state plumbing inspector inspected a customer’s service line for calendar years 2017 through 2021.**

A-2. See table below.

<b>Year</b>	<b>Number of Inspections</b>
2017	86
2018	80
2019	90
2020	76
2021	99

[807 KAR 5:066](#), Section 9(3) requires a utility to inspect a new service line to determine it is free from any tee, branch connection, irregularity or defect. It further provides that a utility “may substitute for its inspection an inspection by the appropriate state or local plumbing inspector, if proof of that inspection is presented to the utility by the customer.”

[815 KAR 20:050](#), Section 1(1)(d) requires that a plumbing permit be obtained for a new water service line or a water service line that is to be replaced. [815 KAR 20:150](#), Section 1((1) requires an inspection of the water service line for compliance with the State Plumbing Code prior to the service line being concealed or covered. Grayson County Water District’s Rules and Regulations provide that no service line may be connected to its facilities with a showing that a plumbing permit has been obtained for the service line and the installation is in accordance with the State Plumbing Code. (See Grayson County Water District Tariff, Original Sheet No. 36.

The information contained in this table is based upon the number of plumbing permits that have been presented to Grayson District each year in question when an applicant for service has requested service.

**GRAYSON COUNTY WATER DISTRICT**

**Response to Commission Staff's Second Request for Information  
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Question No. 3

Responding Witness: Kyle Cannon

**Q-3. Provide an estimate for the amount of time it would take one of Grayson District's field workers to examine a customer's service line per visit.**

A-3. See Attachment 3 to this Response.

**Grayson County Water District  
Nonrecurring Charge Cost Justification**

Type of Charge: Service Line Inspection Fee

1 Field Expense:

A. Materials	\$ -	
B. Labor	\$ 65.40	
2 Hours @ 32.70/Hour		
<b>Total Field Expense</b>	<b>\$ 65.40</b>	

2 Clerical and Office Expense

A. Materials	\$ -	
B. Labor	\$ 17.80	
.5 Hours @ 35.59/Hour		
<b>Total Clerical and Office Expense</b>	<b>\$ 17.80</b>	

3 Miscellaneous Expense

A. Transportation		
26 miles @ \$0.58/mile	\$ 15.08	
B. Other	\$ -	
<b>Total Miscellaneous Expense</b>	<b>\$ 15.08</b>	

**Total Nonrecurring Charge Expense**

**\$ 98.28**

Rounded to \$100.00

**GRAYSON COUNTY WATER DISTRICT**

**Response to Commission Staff's Second Request for Information  
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Question No. 4

Responding Witness: Kyle Cannon

- Q-4. Provide the number of instances where a state/local inspector was not available to perform the field inspection and a Grayson District employee was required to perform the inspection instead, for calendar years 2017 through 2021.**
- A-4. Grayson District is not aware of any instances in which the local health department was unavailable to perform the inspection. As noted in the Response to PSC Request 2-1, inspections by Grayson District of service lines generally only occur if a farmstead is involved and the farmstead owner elects not to obtain a plumbing permit.