

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)

MOTION FOR REHEARING

Pursuant to KRS 278.400, Grayson County Water District (“Grayson District”) moves for rehearing of the Public Service Commission’s Order of December 14, 2021 to modify two nonrecurring charges set forth in that order.

In support of its Motion, Grayson District states:

1. On December 14, 2021, the Public Service Commission issued an order in this proceeding in which it established new rates for water service for Grayson District and modified several of Grayson District’s charges for nonrecurring services. Among the nonrecurring charges set forth in the Order were a “Meter Tampering Charge” and a “Service Line Investigation” charge.

2. As reflected in First Revised Sheet No. 7 of its current tariff, a copy of which is attached as Exhibit A to this motion, Grayson District does not assess a “Meter Tampering Charge” or a “Service Line Investigation” charge.

3. While Grayson District does not assess a “Meter Tampering Charge,” it does assess a charge for “Damage to Meter Setting or Lid (Field Visit Plus Equipment Replaced).” This charge is the actual cost of repairing or replacing the damaged equipment plus a “Service Call/Investigation Fee” to cover the cost of a field person travelling to the meter location. The amount of the charge is listed as actual cost since the cost of the damage to metering equipment will vary with the type of equipment damaged and the extent of that damage. In some instances,

the damaged equipment may be repairable. In others, the damage may be so extensive that the equipment must be replaced.

4. In its order, the Public Service Commission established a Meter Tampering Fee of \$60. Neither the Public Service Commission in its order nor Commission Staff in its report explained how the amount of this fee was derived.¹ Establishing a fixed amount, however, may prevent Grayson District from recovering its costs to repair or replace the damaged metering equipment and force Grayson District's other customers to subsidize the cost of repairs or replacement.

5. Grayson District respectfully requests that Public Service Commission amend the Order of December 14, 2021 to delete the Metering Tampering Charge and allow the charge for "Damage to Meter Setting or Lid (Field Visit Plus Equipment Replaced)" to remain in place. Allowing the current charge to remain will not conflict with the Public Service Commission's policy of eliminating labor expense from nonrecurring charges. While the charge for "Damage to Meter Setting or Lid (Field Visit Plus Equipment Replaced)" will include an amount equal to Grayson District's Service Call/Investigation Fee, the labor component in this fee has been removed as a result of the Order of December 14, 2021. Accordingly, a customer assessed a charge for "Damage to Meter Setting or Lid (Field Visit Plus Equipment Replaced)" will not be paying for any labor expense.

6. Grayson District also does not assess a "Service Line Investigation Fee" but does assess a "Service Line Inspection Fee (In Lieu of Plumber)" of \$100. 807 KAR 5:066, Section 9(3) requires a water utility to inspect a service line to "to determine it is free from any tee, branch

¹ In its Response to Commission Staff's First Request for Information, Item 6, Grayson District reported receiving \$60 in revenue during the test period from Metering Tampering. This response may have inadvertently misled Commission Staff and the Public Service Commission into assuming that the charge was a fixed \$60 rather than that the actual damage to the meter was \$60.

connection, irregularity or defect” prior to the line being covered and placed into service. The regulation further permits a water utility to “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.” Most customers obtain this inspection from the Grayson County Health Department when obtaining a plumbing permit for the service connection. However, farmsteads are exempted from the State Plumbing Code² and some have elected not to use the state plumbing inspector to perform the inspection. In those cases, Grayson District performs the inspection.

7. If the Public Service Commission intended to reduce the “Service Line Inspection Fee (In Lieu of Plumber)” to remove the labor component from the fee, Grayson District requests that decision be reconsidered. Currently, Grayson District assesses a fee of \$100, which is greater than the fee of \$45 that state plumbing inspectors assess.³ Removing the labor component and reducing the fee to \$15 will encourage potential customers to cease using state plumbing inspectors and instead to request that Grayson District perform the inspections. It will divert Grayson District employees from their primary mission of providing water service and impede the efficient delivery of water service. Given the existence of a lower cost alternative that is readily available to the public, allowing Grayson District to maintain its Service Line Inspection Fee at its current level will better promote a more efficient use of resources.

8. Grayson District acknowledges and apologizes for its failure to bring this issue to the Public Service Commission’s attention earlier. In its review of Commission Staff’s report, it failed to recognize the nature of Commission Staff’s recommended charges. Only when revising

² KRS 318.015(3); KRS 318.010(8)(defining a farmstead as “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”).

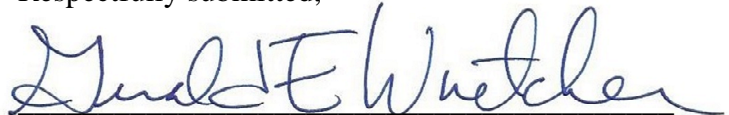
³ This price differential has discouraged potential customers from requesting that Grayson District perform the inspection. During the test period, Grayson District received no revenue from service line inspections. *See* Grayson District’s Response to Commission Staff’s First Request for Information, Item 6 (filed Aug. 13, 2021)

its tariff sheets to comply with the Public Service Commission's Order of December 14, 2021 did it recognize that two of the revised nonrecurring charges rates are not expressly contained in the tariff and that the recommended rates would have significant and possibly adverse effects on its operations.

WHEREFORE, Grayson District respectfully requests that the Public Service Commission grant this Motion for Rehearing and amend its Order of December 14, 2021 to (1) delete references to a meter tampering and service line investigation charges and (2) permit Grayson District's Service Line Inspection Fee to remain at its current level of \$100.

Dated: December 16, 2021

Respectfully submitted,

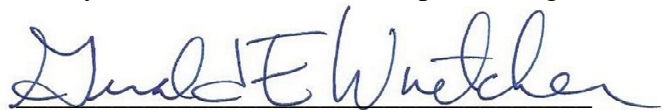


Gerald E. Wuetcher
Stoll Keenon Ogden PLLC
300 West Vine St. Suite 2100
Lexington, Kentucky 40507-1801
Telephone: (859) 231-3017
Fax: (859) 259-3517
gerald.wuetcher@skofirm.com

Counsel for Grayson County Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case no. 2020-00085, I certify that this document was transmitted to the Public Service Commission on December 16, 2021 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.



Gerald E. Wuetcher

EXHIBIT A

AREA Grayson County, Kentucky

PSC KY NO. 1

First Revised SHEET NO. 7

Grayson County Water District
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

Original SHEET NO. 7

A. Special Non-Recurring Charges

Connection/Turn-on Charge	60.00	(I)
Connection/Turn-on Charge (After Hours)	135.00	(I)
Field Collection Charge	60.00	(I)
Late Payment Penalty	10%	
Meter Relocation Charge	Actual Charge	
Damage to Meter Setting or Lid (Field Visit Plus Equipment Replaced)	Actual Charge	
Meter Re-read Charge	60.00	(I)
Meter Re-read Charge (After Hours)	135.00	(I)
Meter Test Charge	60.00	(I)
Reconnection Fee	115.00	(I)
Reconnection Fee (After Hours)	190.00	(I)
Returned Check Charge	25.00	
Service Call/Investigation	60.00	(I)
Service Call/Investigation (After Hours)	135.00	(I)
Service Line Inspection Fee (In Lieu of Plumber)	100.00	(I)

NOTE: Regular working hours for the Utility's Maintenance Staff is 7:30 a.m. to 4:00 p.m. excluding holidays and weekends. Upon customer request, and subject to availability of Maintenance Staff, services may be performed outside regular working hours at the after-hours rate. Maintenance Staff who are called in after hours are guaranteed to be paid for a minimum of 2 hours.

DATE OF ISSUE April 4, 2019
MONTH / DATE / YEAR

DATE EFFECTIVE May 4, 2019
MONTH / DATE / YEAR


ISSUED BY /s/John Tomes
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY
PUBLIC SERVICE COMMISSION

Gwen R. Pinson
Executive Director



EFFECTIVE

5/4/2019

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)