

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LETCHER COUNTY)
WATER AND SEWER DISTRICT FOR A) CASE NO. 2022-00081
DEVIATION FROM 807 KAR 5:006, § 7(1))

APPLICATION FOR DEVIATION

Pursuant to 807 KAR 5:006, Section 28, Letcher County Water and Sewer District (“Letcher District”) applies for a deviation from the requirements of 807 KAR 5:006, Section 7(1)(a)1. In support of its Application, Letcher District states:

1. The full name and post office address of Letcher District is: Letcher County Water and Sewer District, 3443 US 119 North, Mayking, Kentucky 41837.
2. Letcher District’s electronic mail address is: marklws21@gmail.com.
3. Letcher District is not a corporation, limited liability company, or limited partnership. It has no articles of incorporation or partnership agreements.
4. Letcher District is a water district organized pursuant to KRS Chapter 74.
5. Letcher District provides retail water service to approximately 3,069 customers and wastewater services to approximately 22 customers in areas of Letcher County, Kentucky.
6. Pursuant to 807 KAR 5:001, Section 4(8), copies of all orders, pleadings, and other communications related to this proceeding should be directed to:

Mark Lewis
General Manager
Letcher County Water and Sewer District
3443 US 119 North
Mayking, KY 41837
Phone: (606) 633-8550
Fax: (606) 633-8550
marklws21@gmail.com

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

7. On November 3, 2021, the Staff of the Public Service Commission (“Commission Staff”) inspected Letcher District’s facilities and records. Upon completion of that inspection, Commission Staff prepared a report containing its findings regarding the inspection, a copy of which is attached to this Application as Exhibit A. Among its findings, Commission Staff found that Letcher District’s customer bills do not show the date of issuance and that Letcher District had not furnished its customers with a copy of its rate schedules in the manner prescribed by 807 KAR 5:001, Section 7(1)(b).

8. 807 KAR 5:006, Section 7(1)(a)1 provides that “[e]ach bill for utility service issued periodically by a utility shall clearly show . . . the date the bill was issued.”

9. 807 KAR 5:006, Section 7(1)(b) provides:

The rate schedule under which the bill is computed shall be posted on the utility’s Web site, if it maintains a Web site, and shall also be furnished under one (1) of the following methods, by:

1. Printing it on the bill;
2. Publishing it in a newspaper of general circulation once each year;
3. Mailing it to each customer once each year; or
4. Providing a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rates.”

10. Letcher District’s billing software does not currently permit the placement of the date of issuance on a bill. Letcher District has contacted its software vendor for an upgrade to allow for the placement of the issuance date and has been advised that a software upgrade costing at least \$20,450 will be necessary. The vendor has further advised that the upgrade and necessary

training to operate the upgraded software will not be available for several months after the order is placed.

11. 807 KAR 5:006, Section 28 permits the Public Service Commission to grant deviations from 807 KAR 5:006 “for good cause shown.”

12. Good cause exists to permit Letcher District to deviate from 807 KAR 5:006, Section 7(1)(a) until July 1, 2023. Letcher District currently has limited funds available and has other expenditures that are more critical to providing adequate and continuous water and sewer service to its customers. Furthermore, upgrading Letcher District’s billing system solely to add the date of issuance to bills is not essential to Letcher District’s provision of water and sewer service and, given the cost of such upgrades and the relatively limited benefit derived from the expenditure, is not cost effective. Letcher District requests authorization to deviate from 807 KAR 5:006, Section 7(1)(a) until July 1, 2023 to allow for adequate time to examine alternatives to obtaining the software upgrade, as well as exploring possible funding sources for the purchase of an upgrade.

13. Authorizing the requested deviation will not adversely affect Letcher District customers. Letcher District’s current billing format, a copy of which is attached as Exhibit B, contains the other information that 807 KAR 5:006, Section 7(1)(a) requires, including the due date for payment. Letcher District has no record any customer complaints regarding the absence of an issuance date on its bills and the absence of an issuance date has not, to Letcher District’s knowledge, led to any customer billing disputes.

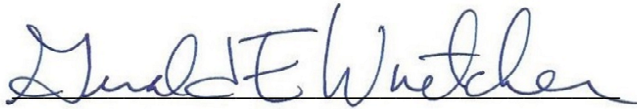
14. As to the other deficiency noted in the Commission Staff inspection report, Letcher District has arranged for its rate schedule to be published in the *Mountain Eagle*, a newspaper of general circulation in Letcher County, Kentucky, prior to April 30, 2022. It will continue to

publish its rate schedule annually in the *Mountain Eagle* until such time as it can make its rate schedule available to its customers by another method specified in 807 KAR 5:006, Section 7(1)(b).

WHEREFORE, Letcher District respectfully requests that the Public Service Commission authorize it to deviate from 807 KAR 5:006, Section 7(1)(a)1 until July 1, 2023.

Dated: April 7, 2022

Respectfully submitted,

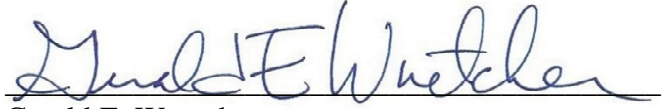


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*Counsel for Letcher County Water and Sewer
District*

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 April 7, 2022 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

A handwritten signature in blue ink, reading "Gerald E. Wuetcher", written over a horizontal line.

Gerald E. Wuetcher

EXHIBIT A

Kentucky Public Service Commission

Periodic Compliance Inspection

Utility: Letcher County Water & Sewer District

Utility's Principal office location: 3443 Hwy. 119 N. Mayking, KY 41837

Utility representative during inspection: Mark Lewis and James Dixon

Counties served: Letcher

Customers: 22

Investigator: Brian L. Rice

Date(s) of inspection: November 3, 2021

Date(s) of last inspection: November 15, 2019

Deficiencies noted during the last inspection: 0

Have deficiencies been corrected since last inspection?

Yes

No

N/A

If no, provide a response as to why these deficiencies have not been addressed.

Person(s) who should receive this inspection report: (add more names if needed)

Mark Lewis
General Manager
3443 Hwy.119 N.
Mayking, KY 41837
Marklws21@gmail.com
606-633-8550

Dianne Adams
Chairperson
126 Walters Branch
Isom, KY 41824
dianneatisom@gmail.com
606-633-9697

General Questions

Treatment Facility:

Yes

No

N/A

Collection System:

Yes

No

N/A

Are both the pumping equipment and electrical wiring protected from exposure to the elements?

Yes

No

N/A

Is standby pumping equipment provided in the event of failure of the primary pumping equipment?

Yes

No

N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

If the bill is estimated or calculated: Yes No N/A
Yes No N/A

Note: Fixed Rate of \$20

Is the rate schedule under which the bill is computed posted on the utility's Web site (if it maintains a Web site)? Yes No N/A

Also furnished by one (1) of the following methods, by:

Printing it on the bill: Yes No N/A

Publishing it in a newspaper of general circulation once each year: Yes No N/A

Mailing it to each customer once each year; or: Yes No N/A

Provide a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rates: Yes No N/A

Does the utility maintain the information required by this subsection, and is it available to the commission and any customer requesting this information?

Yes No N/A

Section 8. Deposits.

Is the utility requiring a minimum cash deposit or other guarantee from customers to secure payment of bills? Yes No N/A

Section 10: Customer Complaints to the Utility

Upon complaint to a utility by a customer at the utility's office, by telephone or in writing, does the utility make a prompt and complete investigation and advise the customer of the utility's findings? Yes No N/A

Does the utility keep a record of all written complaints concerning the utility's service? Yes No N/A

Does the record include the following?

The customer's name and address: Yes No N/A

The date and nature of the complaint: Yes No N/A

The disposition of the complaint: Yes No N/A

Does the utility maintain these records for two (2) years from the date of resolution of the complaint? Yes No N/A

Kentucky Public Service Commission

Periodic Compliance Inspection

Section 20: Access to Property

Do employees of the utility (whose duties require him to enter the customer's premises) wear a distinguishing uniform or other insignia, identifying them as an employee of the utility, and show a badge or other identification that shall identify them as an employee of the utility?

Yes No N/A

Section 23: System Maps and Records

Does the utility have on file at its principal office located within the state and shall file upon request with the commission a map or maps of suitable scale of the general territory it serves or holds itself ready to serve?

Yes No N/A

Is the map or maps available in electronic format as a PDF file or as a digital geographic database?

Yes No N/A

Is the following data available on the map or maps?

Operating districts

Yes No N/A

Rate districts:

Yes No N/A

Communities served:

Yes No N/A

Section 24: Location of Records.

All records required by 807 KAR Chapter 5 shall be kept in the office of the utility and shall be made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours.

Are all records required by 807 KAR Chapter 5 kept in the office of the utility and shall be made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours?

Yes No N/A

Section 25: Safety Program:

Each utility shall adopt and execute a safety program, appropriate to the size and type of its operations. At a minimum, the safety program shall:

- (1) Establish a safety manual with written guidelines for safe working practices and procedures to be followed by utility employees.
- (2) Instruct employees in safe methods of performing their work.
- (3) Instruct employees who, in the course of their work, are subject to the hazard of electrical shock, asphyxiation, or drowning, in accepted methods of artificial respiration.

Kentucky Public Service Commission

Periodic Compliance Inspection

Section 27: Reporting of Accidents, Property Damage, or Loss of Service.

(1) Within two (2) hours following discovery each utility, other than a natural gas utility, shall notify the commission by telephone or electronic mail of a utility related accident that results in:

- (a) Death or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization;
- (b) Actual or potential property damage of \$25,000 or more; or
- (c) Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less.

(2) A summary written report shall be submitted by the utility to the commission within seven (7) calendar days of the utility related accident. For good cause shown, the executive director of the commission, shall, upon application in writing, allow a reasonable extension of time for submission of this report.

Has the Utility had any Accidents, Property Damage, or Loss of Service?

Yes No N/A

If yes, was the Commission notified by telephone or electronic mail within two (2) hours of discovery of a utility related accident that resulted in the following:

Death, shock, or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization:

Yes No N/A

Actual or potential property damage of \$25,000 or more:

Yes No N/A

Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less:

Yes No N/A

Was a summary written report submitted by the utility to the commission within seven (7) calendar days of the utility related accident?

Yes No N/A

Section 28: Deviations from Administrative Regulation: In special cases, for good cause shown, the commission shall permit deviations from this administrative regulation.

Kentucky Public Service Commission

Periodic Compliance Inspection

Does the Utility have a current map and/or plans for its system?

Yes

No

N/A

Section 5. Quality of Service.

(1) **General.** Each utility shall maintain and operate sewage treatment facilities of adequate size and properly equipped to collect, transport, and treat sewage, and discharge the effluent at the degree of purity required by the health laws of the State of Kentucky, and all other regulatory agencies, federal, state, and local, having jurisdiction over such matters.

(2) **Limitations of service.** No sewage disposal company shall be obliged to receive for treatment or disposal any material except sewage as defined by Section 2(7) of this administrative regulation. In compliance with the administrative regulation, the utility shall make all reasonable efforts to eliminate or prevent the entry of surface or ground water, or any corrosive or toxic industrial liquid waste into its sanitary sewer system. A utility may request assistance from the appropriate state, county, or municipal authorities in its efforts, but such a request does not relieve the utility of its aforementioned responsibilities.

Is the utility in compliance with the Division of Water?

Yes

No

N/A

Is the utility making every reasonable effort to eliminate or prevent the entry of surface or ground water, or any corrosive or toxic industrial liquid waste into its sanitary sewer system?

Yes

No

N/A

Section 6: Continuity of Service.

(1) **Emergency interruptions.** Each utility shall make all reasonable efforts to prevent interruptions of service and when such interruptions occur shall endeavor to reestablish service with the shortest possible delay consistent with the safety of its customers and the general public.

(2) **Scheduled interruptions.** Whenever any utility finds it necessary to schedule an interruption of its service, it shall notify all customers to be affected by the interruption stating the time and anticipated duration of the interruption. Whenever possible, scheduled interruptions shall be made at such hours as will provide least inconvenience to the customers.

Kentucky Public Service Commission

Periodic Compliance Inspection

(4) Inspection of facilities. Each sewage utility shall adopt procedures for inspection of its sewage treatment facilities to assure safe and adequate operation of its facilities and compliance with commission rules. These procedures shall be filed with the commission. Unless otherwise authorized in writing by the commission, the sewage utility shall make inspections of collecting sewers and manholes on a scheduled basis at intervals not to exceed one (1) year, unless conditions warrant more frequent inspections and shall make inspections of all mechanical equipment on a daily basis. The sewage utility shall maintain a record of findings and corrective actions required, and/or taken, by location and date.

Is the utility operating and maintaining their facility in accordance with accepted good engineering practice to assure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished, and the safety of persons and property? **Yes** **No** **N/A**

Is the utility adhering to their inspection procedures to assure safe and adequate operation of its facilities and compliance with the Commission rules? **Yes** **No** **N/A**

Unless otherwise authorized in writing by the commission, does the sewage utility make inspections of their collecting sewers and manholes on a scheduled basis at intervals not to exceed one (1) year, unless conditions warrant more frequent inspections? **Yes** **No** **N/A**

Does the utility inspect all mechanical equipment daily? **Yes** **No** **N/A**

Does the utility maintain a record of findings and corrective actions required, and/or taken, by location and date? **Yes** **No** **N/A**



Letcher County Water and Sewer District's Office



Millstone Demonstration Treatment System

Kentucky Public Service Commission


Periodic Compliance Inspection

Attachment(s):

Attachment A – Customer Sewer Bill

Customer Sewer Bill

Front Side

Letcher County Water & Sewer District (606) 633-8550 3443 Highway 119 North, Mayking, KY 41837					PRESORTED FIRST CLASS MAIL U.S. POSTAGE PAID WHITESBURG, KY PERMIT NO. 827		
ACCOUNT [REDACTED]		12/1/21 - 12/30/21			RETURN SERVICE REQUESTED		
SERVICE AT [REDACTED]		5					
CODE	PRESENT	PREVIOUS	USAGE	CHARGES	ACCOUNT	DUE DATE	
ARR	BAL FORWARD			20.00	[REDACTED]	1/19/22	
					AMOUNT DUE AFTER DUE DATE	PENALTY AFTER DUE DATE	PAY THIS AMOUNT
					20.00	.00	20.00
 PLEASE RETURN THIS STUB WITH PAYMENT							
[REDACTED]							
CLASS	AMOUNT DUE AFTER DUE DATE	DUE DATE	PAY THIS AMOUNT				
R	20.00	1/19/22	20.00				

Back Side

<p>Make Check Payable to & Remit to: Letcher County Water & Sewer District 3443 Highway 119 North Mayking, KY 41837</p> <p>We are NOT responsible for U.S. Mail delivery, checks in transit and/or checks lost in transit. Failure to receive bill is no excuse for non-payment.</p> <p>CODE EXPLANATION</p> <p>WAT - Water Charge SEW - Sewer Charge LTF - Late Penalty TXS - School Tax MSC - Miscellaneous ADJ - Adjustment OP - Overpayment RCF - Returned Check Fee ARR - Past Due Balance REC - Reconnect Fee</p> <p>RETURN THIS STUB WITH PAYMENT</p>	<p>Letcher County Water & Sewer District 3443 Highway 119 North ♦ Mayking, KY 41837 Phone: (606) 633-8550 Hours: 8:00AM to 4:00PM <i>Visit us on the web at: www.lcwsdist.com</i></p> <p>Payment of this bill is due in our office on or before the due date. If the amount due is not paid-in-full by 4pm on the due date you will receive a Late Penalty. If payment is deposited in our night drop box after business hours it will be credited to your account on the next business day. Please call the office before the due date with any disputes regarding this bill.</p> <p>If your account has an outstanding balance 30 days past the due date, your service will be disconnected. If service is disconnected a Reconnect Fee will be added to your past due balance and both will need to be paid-in-full before your service can be restored.</p> <p>PLEASE RETAIN THIS STUB FOR YOUR RECORDS</p>
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EXHIBIT B

Bill Front Side

Letcher County Water & Sewer District (606) 633-8550
 3443 Highway 119 North, Mayking, KY 41837

PRESORTED
 FIRST CLASS MAIL
 U.S. POSTAGE PAID
 WHITESBURG, KY
 PERMIT NO. 827

RETURN SERVICE REQUESTED

ACCOUNT	103678	11/29/21 - 12/29/21
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SERVICE AT [REDACTED]

CODE	PRESENT	PREVIOUS	USAGE	CHARGES
ARR	BAL FORWARD			28.92

ACCOUNT	DUE DATE
[REDACTED]	1/19/22

AMOUNT DUE AFTER DUE DATE	PENALTY AFTER DUE DATE	PAY THIS AMOUNT
31.73	2.81	28.92



PLEASE RETURN THIS STUB WITH PAYMENT

[REDACTED]
 PREMIUM KY 41845

CLASS	AMOUNT DUE AFTER DUE DATE	DUE DATE	PAY THIS AMOUNT
R	31.73	1/19/22	28.92

Bill Rear Side

Make Check Payable to & Remit to:
Letcher County Water & Sewer District
 3443 Highway 119 North
 Mayking, KY 41837

Letcher County Water & Sewer District
 3443 Highway 119 North ♦ Mayking, KY 41837
Phone: (606) 633-8550 **Hours:** 8:00AM to 4:00PM
Visit us on the web at: www.lcwsdist.com

We are NOT responsible for U.S. Mail delivery, checks in transit and/or checks lost in transit. Failure to receive bill is no excuse for non-payment.

Payment of this bill is due in our office on or before the due date. If the amount due is not paid-in-full by 4pm on the due date you will receive a Late Penalty. If payment is deposited in our night drop box after business hours it will be credited to your account on the next business day. Please call the office before the due date with any disputes regarding this bill.

CODE EXPLANATION

- WAT - Water Charge
- SEW - Sewer Charge
- LTF - Late Penalty
- TXS - School Tax
- MSC - Miscellaneous
- ADJ - Adjustment
- OP - Overpayment
- RCF - Returned Check Fee
- ARR - Past Due Balance
- REC - Reconnect Fee

If your account has an outstanding balance 30 days past the due date, your service will be disconnected. If service is disconnected a Reconnect Fee will be added to your past due balance and both will need to be paid-in-full before your service can be restored.

RETURN THIS STUB WITH PAYMENT

PLEASE RETAIN THIS STUB FOR YOUR RECORDS