

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MONROE)	
COUNTY WATER DISTRICT FOR RATE)	CASE NO.
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	2017-00070

ORDER

On June 30, 2017, Commission Staff filed a report (“Staff Report”) setting forth its findings and recommendations regarding the rate application filed by Monroe County Water District (“Monroe District”). Pursuant to the Commission’s April 12, 2017 Order, Monroe District and the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”) both filed on July 14, 2017, written comments and objections to the findings in the Staff Report. Additionally, Monroe District filed its “Conditional Waiver of Further Proceedings, or in the Alternative, Request for an Evidentiary Hearing and the Establishment of a Procedural Schedule” (“Conditional Waiver”) on July 14, 2017.

In its Conditional Waiver, Monroe District proposes to waive its right to further proceedings in this matter if the Commission accepts three conditions. Those conditions are that the Commission: 1) approve the rates recommended in the Staff Report; 2) issue an Order for general service rates that will produce \$1,939,741 in revenue; and 3) make no other findings or adopt any other recommendations made in the Staff Report. In the alternative, Monroe District proposed a limited evidentiary hearing and permission to conduct discovery upon Commission Staff. The Attorney General filed its response to

the Conditional Waiver on July 20, 2017. The Attorney General argued that 807 KAR 5:076, Section 11, does not provide Monroe District the right to limit the issues to be considered at a hearing without input from the Attorney General.

Having reviewed Monroe District's Conditional Waiver and being otherwise sufficiently advised, the Commission finds that there are factual issues that need to be resolved before a decision can be made as to the reasonableness of the rates recommended in the Staff Report. Those issues include, but are not limited to, the level of employee benefits and the appropriate service lives assigned to Monroe District's plant asset account groups. For this reason, the Commission will deny Monroe District's Conditional Waiver.

The Commission also will deny Monroe District's request to perform discovery on Commission Staff. Monroe District's rate application was filed pursuant to 807 KAR 5:076, the alternative rate adjustment procedures for small utilities. That regulation specifies that the record upon which the Commission's decision is to be made shall be based on: the applicant's annual reports; the applicant's rate application; information provided by the applicant in response to requests for information; written reports filed by Commission Staff; stipulations and agreements between the parties and Commission Staff; written comments and information filed by the parties in response to a written report by the Commission Staff; and the record of the hearing if one is held. The regulation does not provide for a party to conduct discovery upon Commission Staff. Finally, the Commission finds that an evidentiary hearing should be held on all issues in this case.

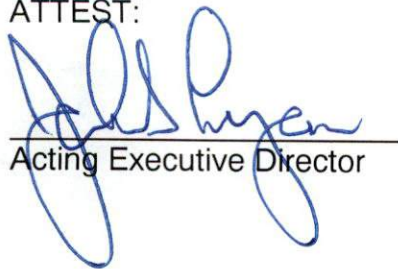
IT IS THEREFORE ORDERED that:

1. Monroe District's Conditional Waiver is denied.
2. Monroe District's request to limit the issues to be heard at the evidentiary hearing is denied
3. Monroe District's request to establish a procedural schedule to conduct discovery of Commission Staff is denied.
4. Monroe District shall appear on September 27, 2017, at 10:00 a.m. Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard in Frankfort, Kentucky, for the purposes of presenting evidence on Monroe District's application for rate adjustment pursuant to 807 KAR 5:076 and including, but not limited to, the issues of the level of employee benefits and the appropriate service lives assigned to its plant asset account groups.
5. Monroe District shall give notice of the hearing in compliance with 807 KAR 5:001, Section 9(2)(b). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov." At the time the notice is mailed or publication is requested, Monroe District shall forward a duplicate of the notice and request to the Commission.
6. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video transcript shall be made of the hearing.
7. Monroe District shall file with the Commission, no later than September 20, 2017, a list of witnesses and exhibits to be presented at the September 27, 2017 hearing. Monroe District shall provide six copies of any exhibit it intends to introduce into evidence at the hearing.

By the Commission

ENTERED
AUG 18 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Acting Executive Director

*Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Mary Ellen Wimberly
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Monroe County Water District
205 Capp Harlan Road
Tompkinsville, KY 42167

*Jana Dupree
Monroe County Water District
205 Capp Harlan Road
Tompkinsville, KY 42167

*Richard O Ross
General Manager
Monroe County Water District
205 Capp Harlan Road
Tompkinsville, KY 42167

*S. Morgan Faulkner
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204