



Andy Beshear
Governor

Rebecca W. Goodman
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Kent A. Chandler
Chairman

Amy D. Cabbage
Vice Chairman

Marianne Butler
Commissioner

January 6, 2022

PARTIES OF RECORD

Re: Case No. 2021-00340

Attached is a copy of a memorandum, which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

If you have any questions, please contact Brittany Koenig, Assistant General Counsel at brittany.koenig@ky.gov or by phone 502-782-2591.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell".

Linda C. Bridwell, PE
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2021-00340

FROM: Brittany Koenig, Assist. General Counsel

DATE: 12-10-21

RE: Informal Conference of Dec.10, 2021

Pursuant to a Staff Notice issued on December 8, 2021, a virtual informal conference (IC) was conducted on December 10, 2021. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss the issues in this case and evidence that would be helpful to provide the Commission for the record.

Commission Staff, Brittany Koenig, began the meeting by advising representatives of Rattlesnake Ridge Water District (Rattlesnake Ridge District) that notes would be taken during the conference and that Staff would prepare and enter into the record a memorandum regarding the conference. Staff further advised that the utility has five days after the memorandum is entered into the record to file comments on the memorandum.

Rattlesnake Ridge District's counsel, Derrick Willis, asked about procedures for the hearing scheduled for January 12, 2022. Mr. Willis specifically asked about whether the utility needs to provide any evidence about unique difficulties its service area's terrain presents. Staff advised that Commission Staff can prepare a map of the territory for the hearing and that any witness can testify to the problems presented by the terrain.

Rattlesnake Ridge District stated that its water loss is 47.5% for November. Ariel Miller, Commission Staff, explained that the last annual reports filed show that the utility experienced losses for the last three years. Ms. Miller explained that Rattlesnake Ridge District should file its 2020 annual report and audit. The utility responded that the report and audit is finished and will be filed. Ms. Miller explained that Staff is looking at the financial documents to determine if Rattlesnake Ridge District's rates are sufficient.

Riley Sumner, project manager, Bluegrass Engineering, walked through the timeline from the time of the November 22, 2019 Order and explained that the utility is trying to address the water loss issues through the Phase 12 project, but could not have anticipated the delay caused by Covid-19. Commission Staff discussed the findings from Case No. 2019-00041 and the recommendations regarding base rate cases versus increasing rates through project loans alone. Staff explained the consideration of funding for depreciation that is different in USDA/Rural Development loans versus the calculations that Commission Staff provide in alternative rate cases.

Sam Reid, Commission Staff, explained that elements of tariffs like fire department usage were examined in Case No. 2019-00041 because many utilities did not have a proper accounting of the water used by fire departments. Rattlesnake Ridge District explained it is having trouble getting fire departments to account for usage. Staff reviewed the tariff on file and explained that the utility has a clause that the utility “shall” fine the fire department if it fails to provide its usage. Staff explained that the utility can revise its tariff or enforce it. Mr. Reid suggested the utility talk to the fire departments first. Staff suggested that the utility could send a bill and explain that the fire department must account for the water used for its purposes versus activities outside the scope of approved usage like filling swimming pools.

Bill Gilbert, Chairman of the board, stated that the utility has reduced its water loss from about 67% to about 46% by adding workers to address water loss and the utility is having trouble with Blue Max pipe. The Phase 12 project will address replacing this pipe and should improve the systems water loss as well. The general manager is retiring at the end of this year and is helping train the replacement.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

Attendance Log for Virtual IC on December 10, 2021

Commission Staff:

Brittany Koenig

Ariel Miller

Sam Reid

Erin Donges

Rattlesnake Ridge District:

Derrick Willis, counsel

Bill Gilbert, Chairman

WC Gilbert, Current Manager

David Gilford, Assistant Manager

Becky Kitchen, Office Manager

Riley Sumner, Bluegrass Engineering,
Project Manager

*Hon. Derrick Willis
Attorney at Law
Willis Law Office
P.O. Box 1500
Grayson, KENTUCKY 41143

*Rattlesnake Ridge Water District
3563 State Highway 1661
P. O. Box 475
Grayson, KY 41143-0475

*Rattlesnake Ridge Water District
Rattlesnake Ridge Water District
3563 State Highway 1661
P. O. Box 475
Grayson, KY 41143-0475