

807 KAR 5:076. Alternative rate adjustment procedure for small utilities.

RELATES TO: KRS Chapter 278

STATUTORY AUTHORITY: KRS 278.040, 278.160, 278.180, 278.185, 278.190, 278.310

NECESSITY, FUNCTION, AND CONFORMITY: This administrative regulation provides a simplified and less expensive procedure by which small utilities may apply to the commission for rate increases. A small utility may apply for rate adjustments using the formal procedure outlined in 807 KAR Chapter 5 or by using the procedure prescribed in this administrative regulation which is intended to minimize the need for formal hearings, to reduce filing requirements, and in many cases to shorten the time period between application and commission order.

Section 1. Utilities Permitted to File Application. Any utility with 500 or fewer customers or \$300,000 or less gross annual revenue may apply for an adjustment of rates using the procedure described below. The applicant shall have maintained adequate financial records fully separated from any commonly-owned enterprise and shall have on file with the commission fully completed annual reports for the immediate past year and for the two (2) prior years if the applicant has been in existence that long.

Section 2. The Record upon which Decision will be Made. Unless a hearing is held the commission shall make its decision based on the:

- (a) Annual reports of the applicant for the immediate past year and for the two (2) prior years, if the applicant has been in existence that long;
- (b) Application;
- (c) Information supplied by the applicant in response to requests submitted by the intervenors and the commission; and
- (d) Written reports submitted by commission staff subsequent to field review, if one (1) is conducted.

Section 3. Application. The applicant shall obtain from the Executive Director of the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601, the alternative rate adjustment application form. The applicant shall complete the form, attach any documents requested, and submit one (1) original and ten (10) copies to the executive director of the commission and one (1) copy to the Public Service Litigation Branch, Office of the Attorney General, P.O. Box 2000, Frankfort, Kentucky 40602-2000, together with one (1) copy of each of the three (3) annual reports. An applicant may, in writing, request commission assistance in preparing the application.

Section 4. Notice to Customers of Proposed Rate Changes. (1) If the applicant has twenty (20) or fewer customers, it shall mail written notice of the proposed rate changes and the estimated amount of increase per customer class to each customer no later than the date on which the application is filed with the commission. In addition, the applicant shall post at its place of business a sheet containing the information provided in the written notice to its customers.

(2) Except for sewer utilities, which must give notice pursuant to KRS 278.185, an applicant with more than twenty (20) customers shall post a sheet stating the proposed rates and the estimated amount of increase per customer class at its place of business; and shall:

- (a) Include notice with customer bills mailed by the date the application is filed; or
- (b) Publish notice in a trade publication or newsletter that will be received by all customers by the date the application is filed; or
- (c) Publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication to be made by the date the application is filed.

(3) Each notice shall contain the following language: The rates contained in this notice are the rates proposed by (name of utility). However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice. Any corporation, association, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from (the applicant) at (the applicant's address). Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents."

Section 5. Motion for Formal Hearing. Within ninety (90) days after the application has been filed, any party may

file a written request for a formal hearing, setting forth grounds therefor.

Section 6. Notice of Hearing. If the commission orders a hearing, the applicant shall give notice as required by KRS 424.300. Newspaper notice shall be published once in a newspaper of general circulation in the applicant's service area no fewer than seven (7) and no more than twenty-one (21) days prior to the hearing. The notice shall state the purpose, time, place, and date of the hearing.

Section 7. Upon a showing of good cause, the commission may permit deviations from this administrative regulation. (8 Ky.R. 835; eff. 4-7-82; Am. 22 Ky.R. 994; 1312; 1-3-96.)