

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE HENDERSON COUNTY)
WATER DISTRICT FOR APPROVAL OF A) CASE NO.
PROPOSED INCREASE IN RATES FOR) 2005-00072
WATER SERVICE)

O R D E R

Henderson County Water District (“Henderson County”) has applied to the Commission for authority to adjust its rates. In its application, Henderson County requests permission to deviate from the requirement of Administrative Regulation 807 KAR 5:001, Section 10(2), that it provide written notice of its intent to file a rate application at least 28 days prior to filing the application. In support of this request, Henderson County states that it is requesting only minor adjustments outside its proposed test year and suggests that the limited nature of its application obviates the need for advance notice.

While Administrative Regulation 807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its regulations for good cause shown, we find that Henderson County has failed to provide a sufficient basis to support its requested relief and that the requested deviation should be denied. However, we will consider the date on which the application was tendered for filing with the Commission as the date on which notice of intent was given and will accept the application as filed on March 9, 2005.

Henderson County has indicated in its application that the proposed rates should be allowed to become effective on or before April 30, 2005. However, as the tariff sheets in its application do not state an effective date for implementation, and as KRS 278.180 requires that no change in rates can be made without 30 days' notice stating plainly the time the changed rates will be effective, we find that this notice requirement has not been met.

Henderson County also requests, in this rate adjustment proceeding, an increase in its purchased water costs from its supplier, Henderson Water and Sewer Commission. Henderson County wishes to avoid two rate increases in a short time period. We have reviewed the application and Henderson County's proposed adjustments and find that, although few adjustments to test-year operations have been proposed, our review is not likely to be completed by the requested date. Henderson County may, pursuant to KRS 278.015, increase immediately its rates to reflect the increased cost of water. If Henderson County cannot absorb the increased cost pending the review of this application, it should apply for a purchased water rate adjustment as KRS 278.015 and Administrative Regulation 807 KAR 5:068 permit.

IT IS THEREFORE ORDERED that:

1. Henderson County's request for permission to deviate from Administrative Regulation 807 KAR 5:001, Section 10(2), is denied.
2. Henderson County's application shall be considered as filed on March 9, 2005.

3. Henderson County may not place the proposed rates in effect until proper notice is given to the Commission or until an Order is issued by the Commission authorizing an adjustment.

Done at Frankfort, Kentucky, this 10th day of March, 2005.

By the Commission

ATTEST:



Executive Director