

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING)	CASE NO.
OF FARMDALE WATER DISTRICT)	2009-00220

O R D E R

On June 16, 2009, Farmdale Water District (“Farmdale”) filed an application for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹ Farmdale’s proposed adjustment is based on a decrease in the wholesale water rates of the Frankfort Electric and Water Plant Board (“Plant Board”), as ordered in Case No. 2008-00250.² Because the Plant Board placed its proposed rates into effect prior to resolution of the case, pursuant to KRS 278.190, the Commission ordered it to refund funds collected in excess of the approved rate. The Plant Board has notified the Commission that it has credited each of its public utility customer accounts with the refund amount.³

807 KAR 5:068, Section 2(4), states, “In the event a water district or water association receives a refund from its supplier for amounts previously paid, the water district or water association shall immediately apply to the commission for authority to

¹ KRS 278.015; 807 KAR 5:068.

² Case No. 2008-00250, *Proposed Adjustment of the Wholesale Water Service Rates of Frankfort Electric and Water Plant Board* (Ky. PSC Apr. 6, 2009).

³ Letter from Hance Price, counsel for the Plant Board, to Jeff Derouen, Executive Director, Public Service Commission (June 3, 2009).

make adjustments on the amounts charged customer's bills under this administrative regulation” As Farmdale has not yet applied to the Commission for authority to make refunds to its customers, the Commission, on its own motion, finds it appropriate to consider this issue in this proceeding.

IT IS THEREFORE ORDERED that:

1. The Commission shall consider the appropriate refund owed to Farmdale’s customers pursuant to 807 KAR 5:068, Section 2(4), in this proceeding.

2. Farmdale shall, no later than five business days from the date of this Order, file with the Commission the original and five copies of the information listed in the Appendix to this Order.

a. Each response shall be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person’s knowledge, information, and belief formed after a reasonable inquiry.

b. Farmdale shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

c. For any request to which Farmdale fails or refuses to furnish all or part of the requested information, Farmdale shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

By the Commission

ENTERED
JUN 26 2009 *h*
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

J. D. Bower

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00220 DATED **JUN 26 2009**

1. Identify the total refund Farmdale received from the Plant Board.
2. State how often Farmdale bills its customers (e.g., monthly or quarterly).
3. Identify the approximate date on which Farmdale reads its customers' meters.
4. Identify the approximate date on which Farmdale sends bills to its customers.
5. Identify the approximate date on which Farmdale's customers' bills are due to Farmdale.
6. State whether Farmdale prefers to provide refunds over a one- or two-month period.
7. State the month or months in which Farmdale prefers to send out bills to its customers with the refund.
8. Estimate the number of gallons of water Farmdale will sell to its customers during July and August 2009.
9. Describe how Farmdale determined its estimate in Item 8 above.

Berl Robinson
Chairman
Farmdale Water District
100 Highwood Drive
Route 8
Frankfort, KY 40601