

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF TODD COUNTY)	
WATER DISTRICT TO REQUEST FOR)	CASE NO.
PERMISSION TO DEVIATE FROM 807 KAR 5:068,)	2020-00227
SECTION 2(2))	

ORDER

On July 20, 2020, Todd County Water District (Todd District) filed a motion, pursuant to 807 KAR 5:068, Section 8, requesting that the Commission grant a deviation. Todd District requests a deviation from the requirement in 807 KAR 5:068, Section 2(2), which states: “Upon a decrease in the supplier’s base rate, a utility that has previously revised its rates pursuant to this administrative regulation shall decrease each of its rate schedules by a purchased water adjustment factor determined in accordance with Section 3 of this administrative regulation to pass through its decreased purchased water costs on a per unit basis regardless of customer classification.” Also, 807 KAR 5:068, Section 8, allows for deviations from a regulation when “good cause” is shown.

In support of its motion, Todd District stated that its sole water supplier, Logan-Todd Regional Water Commission (Logan-Todd Commission), decreased its wholesale rate on April 1, 2020. Todd District argues that there is good cause to grant a deviation from the requirement that Todd District file a purchased water adjustment to account for the decrease in Logan-Todd Commission’s wholesale rate and, instead, wait until Todd District files its rate case which is required to be filed by January 28, 2021.

On January 29, 2020, the Commission ordered Todd District to file a rate case within one year as part of the final order issued in Case No. 2019-00434.¹ Todd District states that its rate case application required to be filed by January 28, 2021, would include an adjustment to account for the decrease in purchased water expense related to Logan-Todd Commission's decrease. Todd District explained that by waiting until the rate case to address the decrease as part of a complete analysis of Todd District's rate structure and financial requirements, Todd District would not risk funding from Rural Development that has been based upon its current rate structure.² Additionally, Todd District made arguments for the efficiency and best use of resources that granting this deviation would allow.³

Based upon a review of the record, the Commission finds there is good cause to grant Todd District's petition for deviation, based upon the fact that Todd District is required, pursuant to the Order of January 29, 2020, in Case No. 2019-00434 to file a rate case within a year of the entry of that Order. The Commission agrees that a rate case will allow a comprehensive review of Todd District's financial records and rate requirements providing a better use of resources than multiple proceedings that would not allow for a view of Todd Districts complete financial requirements.

¹ Case No. 2019-00434, *Electronic Application of Todd County Water District to Issue Securities in the Approximate Principal Amount of \$2,581,000 for the Purpose of Refunding Certain Outstanding Obligations of the District Pursuant to the Provisions of KRS 278.300 and 807 KAR 5:001*, (Ky. PSC Jan. 29, 2020).

² Petition for Deviation at 2.

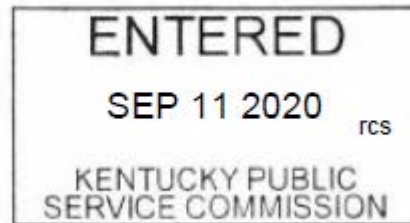
³ *Id.* at 3.

IT IS THEREFORE ORDERED that:

1. Todd District's motion for deviation for 807 KAR 5:068, Section 2(2), is granted.
2. Todd District shall include an adjustment to account for the decrease in purchased water expense related to Logan-Todd Commission's decrease in its rate case required to be filed pursuant to Case No. 2019-00434.
3. This case is closed and removed from the Commission's docket.

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By the Commission



ATTEST:



Acting Executive Director

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