

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LYON COUNTY)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT)	2021-00391
PURSUANT TO 807 KAR 5:076)	

ORDER

On November 22, 2021, Lyon County Water District (Lyon District) filed an application, pursuant to 807 KAR 5:076, requesting to adjust its monthly water service rates. Lyon District was a party to the proceedings in Case No. 2019-00444¹ and based upon the testimony at the hearing in that matter and the fact that Lyon District had not received a base rate increase since 2003, the Commission's June 15, 2020 Order stated that Lyon District was to file a general rate case or alternative rate filing within one year of date of that Order. When Lyon District did not submit an alternative rate filing by June 15, 2021, the Commission initiated Case No. 2021-00343² on the Commission's motion to investigate Lyon District and its individual commissioners, for allegedly failing to comply with KRS 278.230, and 807 KAR 5:006, Section 4(d), by failing to file its 2020 Annual Report by March 21, 2021, and violating the Commission's June 15, 2020 Order in Case

¹ Case No. 2019-00444, *Electronic Proposed Adjustment to the Wholesale Water Service Rates of Princeton Water and Wastewater* (Ky. PSC June 15, 2020).

² Case No. 2021-00343, *Electronic Alleged Failure of Lyon County Water District and its Individual Commissioners Don Robertson and Charles Murphy, and Superintendent, William Asher, to Comply with KRS 278.230, 807 KAR 5:006, SEC. 4(2), and KRS 278.990* (Ky. PSC Oct. 1, 2021).

No. 2019-00444.³ Upon Lyon District filing this matter, the Commission ordered Case No. 2021-00343 to be held in abeyance and that the record in that case should be incorporated here so that the issues may be addressed in the most efficient manner.⁴

The Commission finds that a procedural schedule⁵ should be established to ensure the orderly review of Lyon District's application. The procedural schedule is attached as an Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in the Appendix to this Order, which is attached hereto and incorporated herein, shall be followed.

2. In addition to the procedural schedule set forth in the Appendix, no later than April 4, 2022, Commission Staff shall file with the Commission and serve upon all parties of record a written report (Staff Report) containing its findings and recommendations regarding Lyon District's requested rate adjustment.

3. No later than 14 days after the date of the filing of the Commission Staff Report, each party of record shall file with the Commission:

a. Its written comments on and any objections to the findings contained in the Commission Staff Report; and

b. Any additional evidence for the Commission to consider.

³ Case No. 2019-00444, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Princeton Water and Wastewater* (KY. PSC June 15, 2020).

⁴ Case No. 2021-00343, *Electronic Alleged Failure of Lyon County Water District and its Individual Commissioners Don Robertson and Charles Murphy, and Superintendent, William Asher, to Comply with KRS 278.230, 807 KAR 5:006, SEC. 4(2), and KRS 278.990* (Ky. PSC Oct. 1, 2021).

⁵ No action is necessary to suspend the effective date of Lyon District's proposed rates for service. Pursuant to 807 KAR 5:076, Section 7(1), an applicant who applies for a rate adjustment pursuant to the procedures set for in 807 KAR 5:076 may not place its proposed rates into effect until the Commission approves those rates or six months from the date of the filing of its application.

4. If Commission Staff finds that Lyon District's financial condition supports a higher rate than Lyon District proposes or the assessment of an additional rate or charge not proposed in Lyon District's application, Lyon District in its response to the Commission Staff Report shall also state its position in writing on whether the Commission should authorize the assessment of the higher rate or the additional rate or charge.

5. If Commission Staff finds that changes should be made to the manner in which Lyon District accounts for the depreciation of Lyon District's assets, Lyon District in its response to the Commission Staff Report shall also state its position in writing on whether the Commission should require Lyon District to implement the proposed change for accounting purposes.

6. A party's failure to file written objections to a finding contained in the Commission Staff Report within 14 days after the date of the filing of the Commission Staff Report shall be deemed a waiver of all objections to that finding.

7. If a party requests a hearing or informal conference, then the party shall make the request in its written comments and state the reason why a hearing or informal conference is necessary.

8. A party's failure to request a hearing or informal conference in the party's written response shall be deemed a waiver of all rights to a hearing on the application and a request that the case stand submitted for decision.

9. A party's failure to file a written response within 14 days after the date of the filing of the Staff Report shall be deemed a waiver of all rights to a hearing on the application.

10. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Further, KRS 278.040(2) requires that a person seeking intervention must have an interest in the rates or service of a utility, as those are the only matters that are subject to the Commission's jurisdiction. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of water consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest. In addition, any motion to intervene filed after the date established in the procedural schedule attached as an Appendix to this Order shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

11. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085⁶ regarding filings with the Commission.

⁶ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

By the Commission

ENTERED
DEC 14 2021
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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2021-00391

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00391 DATED DEC 14 2021

Requests for intervention shall be filed no later than..... 12/27/2021

All requests for information to Lyon District
shall be filed no later than 01/20/2022

Lyon District shall file responses to requests
for information no later than 02/03/2022

All supplemental requests for information to
Lyon District shall be filed no later than 02/17/2022

Lyon District shall file responses to supplemental
requests for information no later than 03/03/2022

Commission Staff Report shall be filed no later than 04/04/2022

Last day for Lyon District to publish notice of hearing To be scheduled

Public Hearing to be held in the Richard Raff Hearing Room (Hearing Room 1)
of the Commission's offices at 211 Sower Boulevard,
Frankfort, Kentucky, for the purpose of cross-examination
of witnesses of Lyon District and Intervenors To be scheduled

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5464 U. S. Highway 62 West
P. O. Box 489
Kuttawa, KY 42055

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Brentwood, TENNESSEE 37027