

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BRACKEN)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE)	2021-00415
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

This matter arises upon Bracken County Water District (Bracken District) acceptance of Commission Staff's recommendation regarding the amount of a rate increase that amended Bracken District's application to request higher rates than initially requested. Bracken District requested an increase in its revenue requirement of \$254,349 or 15.00 percent over test-year normalized revenues. When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Bracken District would require an increase of \$341,659 or 20.45 percent. On June 16, 2022, Bracken District filed with the Commission its comments in response to Commission Staff's June 2, 2022 Commission Staff's Report that accepted the amount of the revenue increase, the allocation to the rate classes, and the design of the proposed rates set forth in the Commission Staff's Report.

LEGAL STANDARD

Commission regulation 807 KAR 5:076, Section 11(3)(f) states:

If commission staff reports that the applicant's financial condition supports a higher rate than the applicant proposed or commission staff recommends the assessment of an additional rate or charge not proposed in the application and commission staff's proposed rates produce a total increase in revenues that exceeds 110 percent of the total increase in

revenues that the applicant's proposed rates will produce and the applicant amends its application to request commission staff's proposed rates, the commission shall order the applicant to provide notice of the finding or recommendation to its customers.

Commission regulation 807 KAR 5:076, Section 7(1), provides that an application for an alternative rate adjustment (ARF) may not place the proposed rates into effect until the Commission approves those rates or six months from the date of filing an application. Commission regulation 807 KAR 5:001, Section 4(5), provides that amendment of an application shall not relate back to the date of the filing of the original application unless the Commission orders otherwise.

DISCUSSION AND FINDINGS

As an initial matter, when Bracken District accepted Commission Staff's proposed increase of \$341,659, Bracken District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$87,310 or is 134.33 percent of the original proposed rates.¹ Consistent with 807 KAR 5:076, Section 11(3)(f), because Bracken District amended its application on June 16, 2022, when it accepted the revenue increase proposed by Commission Staff that exceeded the 110 percent threshold, and because the amended application does not relate back to the original application, Bracken District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or December 16, 2022, which is six months from the date the application was amended, whichever comes first.

Because Bracken District accepted rates that exceed the regulatory threshold for renounce, the Commission finds that Bracken District should provide notice of the

¹ \$341,659 / \$254,349 = 134.33%

proposed rate increase to its customers. Within 14 days of the date of this Order, Bracken District shall notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice shall contain the information set forth in the Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. Bracken District's amended application is accepted as filed as of June 16, 2022.

2. Bracken District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or six months from the date the application was amended, whichever comes first.

3. Within 14 days of the date of this Order, Bracken District shall notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice shall contain the information set forth in the Appendix to this Order.

4. Bracken District shall provide proof of publication of the notice to the Commission no later than 30 days from the date of this Order.

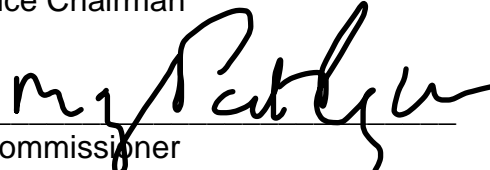
5. If the Commission does not receive any written requests for intervention or a hearing in this matter within 30 days of publication of new rates, this case shall stand submitted to the Commission for a decision based upon the existing record.

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner

ENTERED
JUL 25 2022 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00415 DATED JUL 25 2022

On January 27, 2022, the Kentucky Public Service Commission (PSC) accepted for filing Bracken County Water District's (Bracken District) application requesting to increase its revenue from water sales by \$254,349 an approximate increase of 15.00 percent. On June 2, 2022, Commission Staff determined would require an increase of \$341,659 or 20.45 percent in revenue from water sales. Bracken District requests the PSC approve its recommended revenue requirements and that Bracken District be allowed to implement the revised rates as follows:

Monthly Water Rates					
<u>Phase 1</u>					
Gallons per Month	Current Rates per Gallon	Gallons per Month	Requested Rates per Gallon	\$ Change	% Change
First 2,000 Gallons - Min. Bill	\$27.89	First 2,000 Gallons - Min. Bill	\$30.81	\$2.92	10.47%
Next 38,000 Gallons	0.01065	Next 38,000 Gallons	0.01174	0.00109	10.23%
Over 40,000 Galoons	0.00845	Over 40,000 Galoons	0.00931	0.00086	10.18%
Wholesale Rate	0.00406	Wholesale Rate	0.00447	0.00041	10.10%
Bulk Loading Station	0.0095	Bulk Loading Station	0.01050	0.00100	10.53%
<u>Phase 2</u>					
Gallons per Month	Current Rates per Gallon	Gallons per Month	Requested Rates per Gallon	\$ Change	% Change
First 2,000 Gallons - Min. Bill	\$30.81	First 2,000 Gallons - Min. Bill	\$33.64	\$2.83	9.19%
Next 38,000 Gallons	0.01174	Next 38,000 Gallons	0.01281	0.00107	9.11%
Over 40,000 Galoons	0.00931	Over 40,000 Galoons	0.01016	0.00085	9.13%
Wholesale Rate	0.00447	Wholesale Rate	0.00487	0.00040	8.95%
Bulk Loading Station	0.0105	Bulk Loading Station	0.01150	0.00100	9.52%

Nonrecurring Charges		
	<u>Current Charge</u>	<u>Requested Charge</u>
5/8-Inch X 3/4-Inch Tap Fee	\$750	\$1,380
Field Charge	\$40	\$19
Service Termination Charge	\$40	\$19
Turn-On Charge	\$40	\$19
Reconnection Charge	\$40	\$19
Reconnection Charge (After Hours)	\$80	\$95
Meter Test Charge	\$40	\$57
Returned Check Charge	\$30	\$9
Meter Reading Charge	\$40	\$19
Meter Resetting Charge	\$40	\$19
Service Investigation	\$40	\$19

The proposed rates shall not become effective until the PSC has issued an Order approving these rates. Phase 1 of the rates will increase the monthly bill of a typical residential customer using 3,770 gallons a month from \$46.74 to \$51.59, an increase of \$4.85 or approximately 10.38 percent. Phase 2 will increase the monthly bill of a typical residential customer using 3,770 gallons a month from \$51.59 to \$56.31, an increase of \$4.72 or approximately 9.15 percent over the Phase 1 rate. For the wholesale water rate, Phase 1 rates will increase the average monthly bill of 642,650 gallons from \$2,609.16 to \$2,872.65, an increase of \$263.49 or 10.10 percent. Phase 2 rates will increase the average monthly bill of 642,650 gallons from \$2,872.65 to \$3,129.71, an increase of \$257.06 or 8.95 percent over the Phase 1 rate. This filing may be examined at the offices of Bracken District located at 1324 Brooksville-Germantown Road, Brooksville, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m.; telephone (606) 735-3513.

Any person may examine this filing at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday–Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <https://psc.ky.gov>; telephone (502) 564-3940. A copy of the PSC Commission Staff’s Report can be found at the following address:

https://psc.ky.gov/pscscf/2021%20Cases/2021-00415//20220602_STAFF_REPORT.pdf

Any person may submit comments on the proposed request no later than 30 days after the date of publication of customer notice. Comments shall be in writing and shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602. Comments may also be submitted by electronic mail to psc.comment@ky.gov. If the Commission does not receive any request for intervention or hearing in this matter within 30 days after the date of publication of this customer notice, the Commission will proceed to render a decision in the matter

*Diana Moran
Office Manager
Bracken County Water District
P. O. Box 201
Brooksville, KY 41004

*Bracken County Water District
1324 Brooksville Germantown Road
P. O. Box 201
Brooksville, KY 41004

*Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Dale Appleman
Bracken County Water District
P. O. Box 201
Brooksville, KY 41004