

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LAUREL)	CASE NO.
COUNTY WATER DISTRICT NO. 2 FOR AN)	2021-00385
ALTERNATIVE RATE ADJUSTMENT)	

ORDER

On November 13, 2023, Laurel County Water District No. 2 (Laurel District No. 2) filed a rate study pursuant to the final Order.¹ Laurel District No. 2 was also ordered to come in for a rate adjustment within three years of the date of the final Order unless a rate sufficiency analysis demonstrated that the utility needed to submit the application sooner.² The rate study was based on the 2022 Annual Report of Laurel District No. 2 and the result of the analysis was that the utility needed a 3.71 percent increase in rates. In its Read First Letter, the utility asked to be relieved of any duty to file a rate case within three years of the final Order.³

After review of the study, the Commission finds that, although the study indicates a rate increase is indicated, Laurel District No. 2 does not need to file a rate application at the present time. However, the rate sufficiency study does confirm that the utility should still be required to file a rate application pursuant to 807 KAR 5:076 or 807 KAR 5:001. The Commission reiterates how important it is for a utility to monitor its rate sufficiency

¹ Order (Ky. PSC Nov. 1, 2022) at 20, ordering paragraph 5.

² Order (Ky. PSC Nov.1, 2022) at 20, ordering paragraph 7.

³ Order (Ky. PSC Nov. 1, 2022) at 20, ordering paragraph 7.

and file an application for a rate adjustment, if indicated. The Commission denies Laurel District No. 2's request to be relieved of the requirement to file a rate application within three years of the final Order in this case. Laurel District No. 2 should file an application for a general rate adjustment or an alternative rate adjustment no later than November 1, 2025, using the 2024 Annual Report and 2024 as the test year.

IT IS THEREFORE ordered that

1. Laurel District No. 2's request to be relieved from the requirement to file a rate application within three years is denied.
2. Laurel District No. 2 shall file a rate application no later than November 1, 2025, using its 2024 Annual Report and 2024 test year.

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PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman



Commissioner



ATTEST:



Executive Director

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