

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)	
WATER SERVICE RATES OF THE CITY OF)	CASE NO.
SALYERSVILLE)	2015-00151

ORDER

On May 4, 2015, the city of Salyersville (“Salyersville”) filed with the Commission its revised tariff sheet setting forth its proposed adjustment to its existing rate for wholesale water service to Magoffin County Water District (“Magoffin District”) and a notice stating that the new rate was effective for service provided on and after June 10, 2015. On May 11, 2015, Magoffin District filed with the Commission a letter objecting to the proposed adjustment on the grounds that the adjustment is in violation of the water purchase contract between Salyersville and Magoffin District.

The Commission determined that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of the proposed rate adjustment, and on May 18, 2015, the Commission entered an Order suspending Salyersville’s proposed rate for wholesale water service for five months from June 20, 2015, up to and including November 9, 2015.¹ The Commission established a procedural schedule and required Salyersville to file with the Commission, no later than June 8, 2015, responses to requests for information attached in Appendix B to the May 18, 2015 Order.²

¹ Order (Ky. PSC May 18, 2015) at 1.

² *Id.* at 2.

The Commission's service of Orders by electronic transmission is authorized pursuant to KRS 278.380. The May 18, 2015 Order was served by electronic transmission to salyersvillewater@gmail.com, the electronic mail address placed on file with the Commission by Salyersville. Salyersville failed to file responses to the requests for information on or before June 8, 2015.

On June 15, 2015, Commission Staff contacted Salyersville Water Works and was referred to the attorney for the city of Salyersville.³ Commission Staff contacted the attorney for the city of Salyersville and stated that Salyersville was required to file its response to the requests in the Commission's May 18, 2015 Order, and that it was required to file a request for an extension of time for the Commission to accept the filing.⁴ Commission Staff also indicated that if Salyersville wanted to add an additional electronic mail address for the service list in Case No. 2015-00151, then it could include such a request as part of a filing with the Commission.⁵

On June 30, 2015, the attorney for the Salyersville Water Works contacted Commission Staff by electronic mail message.⁶ The attorney for Salyersville stated that he had recently been hospitalized and not released until the prior weekend.⁷ He further stated that Salyersville was in negotiation with Magoffin District, and that Salyersville

³ Staff Notice of document being filed in the record (Ky. PSC June 25, 2015).

⁴ *Id.* The June 15, 2015 electronic mail message sent by Commission Staff to counsel for Salyersville contains a link to the Commission's May 18, 2015 Order.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

would file a motion for extension of time to submit its responses and the responses to the Commission's May 18, 2015 Order.⁸

On August 4, 2015, the Commission entered an Order that required Salyersville to file its response to the request for information contained in Appendix B to the Commission's May 18, 2015 Order within seven days of the date of that Order.

Salyersville has not filed its response to the requests in the Commission's May 18, 2015 Order, and Salyersville has not requested an extension of time for complying with the May 18, 2015 Order or modification of the procedural schedule contained in Appendix A to the May 18, 2015 Order. Salyersville has not filed a request for an extension of time for complying with the August 4, 2015 Order.

The Commission, after consideration of the evidence of record and being otherwise sufficiently advised, finds that:

1. On May 4, 2015, Salyersville filed a revised tariff sheet that proposed a new wholesale rate for water service to Bracken District.
2. The Commission's May 18, 2015 Order in this proceeding suspended Salyersville's proposed new rate, established a procedural schedule, and required Salyersville to file no later than June 8, 2015, a response to a request for information in Appendix B of that Order.
3. Pursuant to the authority of KRS 278.380, the Commission served its May 18, 2015 Order by electronic transmission to Salyersville using the electronic mail address that Salyersville had placed on file with the Commission.

⁸ *Id.*

4. Salyersville did not timely file a response to the request for information contained in Appendix B of the May 18, 2015 Order.

5. Commission Staff contacted Salyersville and its counsel, the attorney for the city of Salyersville, on June 15, 2015, concerning Salyersville's failure to file a response to the May 18, 2015 Order.

6. On August 4, 2015, the Commission entered an Order that recited the procedural history of this case, noted Salyersville's failure to file its response to the request for information contained in Appendix B to the Commission's May 18, 2015 Order, and directed Salyersville to file its response to that request for information within seven days of August 4, 2015.

7. Salyersville has not filed any response to the request for information contained in Appendix B of the May 18, 2015 Order.

8. Salyersville has not filed a request for an extension of time to comply with the May 18, 2015 Order or August 4, 2015 Order.

9. Pursuant to KRS 278.190(3), Salyersville has the burden of proof to show that the increased rate or charge is just and reasonable.

10. Salyersville has not responded to the Commission's Orders entered May 18, 2015, and August 4, 2015, requesting information regarding the increased rate or charge and has made no filing with the Commission since the proposed tariff was filed on May 4, 2015.

11. Salyersville has not met its burden to show that the increased rate or charge is just and reasonable.

12. The Commission should deny without prejudice Salyersville's revised tariff sheet filed on May 4, 2015.

13. The Commission should close this case and remove it from its docket.

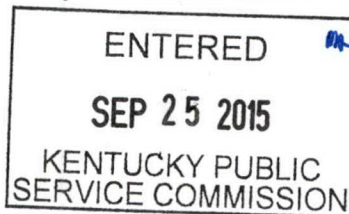
IT IS THEREFORE ORDERED that:

1. The proposed new rate for wholesale water service to Magoffin District contained in the tariff sheet filed by Salyersville on May 4, 2015, is denied without prejudice.

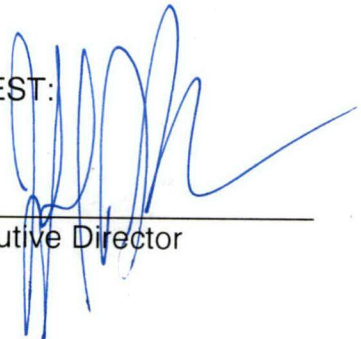
2. Salyersville may file a new tariff sheet proposing either the same rate for wholesale water service to Magoffin District as filed on May 4, 2015, or a different rate for wholesale water service to Magoffin District.

3. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:



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