

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)
WATER SERVICE RATES OF MADISONVILLE) CASE NO. 2017-00133
WATER DISTRIBUTION)

ORDER

On February 6, 2017, the city of Madisonville (“Madisonville”) filed with the Commission a revised tariff sheet setting forth proposed adjustments to its existing rates for wholesale water service to Nebo Water District (“Nebo”), North Hopkins Water District (“North Hopkins”), and South Hopkins Water District (“South Hopkins”) effective on March 31, 2017. Madisonville’s current monthly wholesale water rate to each of these three wholesale purchasers is \$4.13 per 1,000 gallons.¹ Madisonville proposes to increase the monthly wholesale rate charged to each by \$0.88 per 1,000 gallons, from \$4.13 to \$5.01, or 21.3 percent.

On March 6, 2017, Nebo and North Hopkins, through counsel, each submitted a letter requesting the Commission to “initiate a formal proceeding to investigate the reasonableness of the proposed rate, establish a procedural schedule that allows for discovery, and issue all orders necessary to ensure that the proposed rate is not placed into effect or otherwise assessed before the required hearing.” Nebo and North Hopkins

¹ *City of Madisonville, P.S.C. KY., Unnumbered Sheet, effective Mar. 15, 2017.*

request that the Commission, pursuant to 807 KAR 5:001, Section 8, direct the use of electronic filing procedures for such a proceeding.²

South Hopkins submitted an objection to the proposed rate but did not request the Commission to initiate a formal proceeding.

Having considered the proposed rate adjustments and being otherwise sufficiently advised, the Commission finds that an investigation will be necessary to determine the reasonableness of the proposed rates and that such an investigation cannot be completed by March 31, 2017. Pursuant to KRS 278.190(2), the Commission will, therefore, suspend the effective date of the proposed rates for five months, up to and including August 30, 2017.

The Commission further finds that Nebo and North Hopkins are likely to present issues or to develop facts that will assist the Commission in fully considering this matter and should be made parties to this proceeding. South Hopkins should be served with a copy of this Order.

The Commission finds that Madisonville should, within ten days of the date of this Order, have its counsel enter an appearance into this proceeding that contains the name, address, telephone number, fax number, and electronic mail address of counsel. We find that the Commission may, per 807 KAR 5:001, Section 8, order the use of electronic filing procedures. With its counsel's entry of appearance, Madisonville should indicate its

² While Nebo and North Hopkins also assert that KRS 278.200 requires the Commission to hold a hearing before Madisonville can adjust its wholesale rate, KRS 278.200 provides only for a hearing "in the manner prescribed in this [KRS 278] chapter." Pursuant to KRS 278.190(1), "[t]he commission may, upon its own motion, or upon complaint ... hold a hearing concerning the reasonableness of the new rates." Thus, a hearing is not required. The filing of a revised tariff by a municipal utility "requires an opportunity for a hearing by the Commission before the proposed revision can become effective" Case No. 2011-00419, *Proposed Revision of Rules Regarding the Provision of Wholesale Water Service by the City of Versailles to Northeast Woodford Water District* (PSC Ky. Aug. 12, 2014) Order at 11.

position on the use of electronic filing procedures and whether it has any objection to their use in this proceeding.

The Commission will defer a decision on whether to order the use of electronic filing procedures until after Madisonville states its position on their use. We will establish a procedural schedule in a subsequent Order.

IT IS THEREFORE ORDERED that:

1. Madisonville's proposed rates for wholesale water service are suspended for five months from March 31, 2017, to August 30, 2017.

2. Nebo and North Hopkins are made parties to this case.

3. Madisonville shall, by counsel, enter an appearance in this proceeding within ten days of the date of this Order. The entry of appearance shall include the name, address, telephone number, fax number, and electronic mail address of counsel. Further, Madisonville, with its entry of appearance, shall state its position on the use of electronic filing procedures and whether it has any objection to their use in this proceeding.

4. The Executive Director shall serve a copy of this Order on South Hopkins.

5. Requests for intervention shall be filed no later than April 14, 2017. Any party who submits a motion to intervene after April 14, 2017, and upon a showing of good cause is granted full intervention, shall accept and abide by the existing procedural schedule.

By the Commission

ENTERED
MAR 30 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

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