

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JUDY WATER)	CASE NO.
ASSOCIATION, INC. FOR A RATE ADJUSTMENT)	2022-00436
PURSUANT TO 807 KAR 5:076)	

ORDER

This matter arises upon Judy Water Association, Inc.'s (Judy Water) acceptance of Commission Staff's recommendation regarding the amount of a rate increase that amended Judy Water's application to request higher rates than initially requested. Judy Water requested an increase in its revenue requirement of \$201,253, or 16.53 percent, over test-year normalized revenues. When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Judy Water would require an increase of \$247,351 or 20.31 percent. On May 10, 2023, Judy Water filed with the Commission its comments in response to Commission Staff's April 26, 2023 report (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 5:001E, 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 Judy Water accepted Commission Staff's proposed increase of \$247,351, Judy Water accepted rates that produced a total increase that exceeds the revenue initially proposed by \$46,098 or is 122.91 percent of the original proposed rates.¹ Consistent with 807 KAR 5:076, Section 11(3)(f), because Judy Water amended its application on May 10, 2023, 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, Judy Water shall not place the proposed rates into effect until the Commission issues an Order approving the rates or November 10, 2023, which is six months from the date the application was amended, whichever comes first.

Because Judy Water accepted rates that exceed the regulatory threshold for renounce, the Commission finds that Judy Water should provide notice of the proposed

¹ \$247,351 / \$201,253 = 122.91%.

rate increase to its customers. Within 14 days of the date of service of this Order, Judy Water 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. Judy Water's amended application is accepted as filed as of May 10, 2023.
2. Judy Water 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 service of this Order, Judy Water 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. Judy Water 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

Mark Cole
Chairman

Bob
Vice Chairman

Mary Pat Regan / *Att with permission*
Commissioner

ENTERED
MAY 26 2023 bsb
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Linda C. Bridwell
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00436 DATED MAY 26 2023

On January 11, 2023, the Kentucky Public Service Commission (PSC) accepted for filing Judy Water Association’s (Judy Water) application requesting to increase its revenue from water sales by \$201,253, an approximate increase of 16.53 percent. On April 26, 2023, Commission Staff determined Judy Water would require an increase of \$247,351 or 20.31 percent in revenue from water sales. Judy Water requests the PSC approve its recommended revenue requirements and that Judy Water be allowed to implement the revised rates as follows:

RETAIL RATES

Rate per Thousand Gallons per Month

Meter Size		Current	Proposed	\$ Increase	% Increase
<u>All Meters</u>					
First	1,000 Gallons	\$13.51	\$16.22	\$ 2.71	20.06%
Next	4,000 Gallons	9.14	10.96	1.82	19.91%
Next	5,000 Gallons	8.24	9.90	1.66	20.15%
Over	10,000 Gallons	7.34	8.82	1.48	20.16%

Nonrecurring Charges

Late Payment Penalty	10%
Meter Relocation Charge	Actual
Meter Test Charge	35.00
Returned Check Charge	16.00
5/8 x 3/4 Inch Tap-On Charge	\$1,175.00
All Meters larger than 5/8 x 3/4	Actual Cost

The proposed rates shall not become effective until the Public Service Commission has issued an Order approving these rates. The rates will increase the monthly bill of a typical residential customer using 4,000 gallons a month from \$40.93 to \$49.10, an increase of \$8.17, or approximately 19.96 percent. This filing may be examined at the offices of Judy Water located at 2010 Maysville Rd, Mount Sterling, Kentucky; telephone 1(859) 498-4809.

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:

[2022-00436 Commission Staff's Report](#)

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

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