

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------------|---|------------|
| ELECTRONIC APPLICATION OF MEADE |) | CASE NO. |
| COUNTY WATER DISTRICT FOR A RATE |) | 2023-00039 |
| ADJUSTMENT PURSUANT TO 807 KAR 5:076 |) | |

ORDER

This matter arises upon Meade County Water District's (Meade District) acceptance of Commission Staff's recommendation regarding the amount of a rate increase that amended Meade District's application to request higher rates than initially requested. Meade District requested an increase in its revenue requirement of \$84,980, or 2.63 percent, over test-year normalized revenues.¹ When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Meade District would require an increase of \$176,546 or 5.47 percent.² On July 6, 2023, Meade District filed with the Commission its comments in response to Commission Staff's June 28, 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

¹ Application, Attachment 3, Reasons for Application.

² Commission Staff's Report at 4.

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 Meade District accepted Commission Staff's proposed increase of \$176,546, Meade District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$91,566 or is 207.75 percent of the original proposed rates.³ Consistent with 807 KAR 5:076, Section 11(3)(f), because Meade District amended its application on July 6, 2023, when it accepted the revenue increase proposed by Commission Staff that exceeded the 110 percent threshold,⁴ and because the amended application does not relate back to the original application, Meade District shall not place the proposed rates into effect until the Commission issues an Order

³ $176,546 / 84,980 = 207.75\%$

⁴ 110% of the initial proposed revenue increase is $(110\% \times 84,980 = 93,478)$.

approving the rates or January 6, 2024, which is six months from the date the application was amended, whichever comes first.

Because Meade District accepted rates that exceed the regulatory threshold for renote, the Commission finds that Meade District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of service of this Order, Meade 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. Meade District's amended application is accepted as filed as of July 6, 2023.
2. Meade 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 service of this Order, Meade 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. Meade 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.

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PUBLIC SERVICE COMMISSION



Vice Chairman







ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00039 DATED AUG 03 2023

On February 10, 2023, the Kentucky Public Service Commission (PSC) accepted for filing Meade County Water District's (Meade District) application requesting to increase its revenue from water sales by \$84,980, an approximate increase of 2.63 percent. On June 28, 2023, Commission Staff determined Meade District would require an increase of \$176,546 or 5.47 percent in revenue from water sales. Meade District requests the PSC approve its recommended revenue requirements and that Meade District be allowed to implement the revised rates as follows:

| <u>All Meter Sizes</u> | | <u>Current</u> | <u>Proposed</u> | | <u>%Increase</u> |
|------------------------|----------------|----------------|-----------------|--------------|------------------|
| First | 2,000 Gallons | \$23.23 | \$24.50 | Minimum Bill | 5.47% |
| Next | 5,000 Gallons | 0.01129 | 0.01191 | Per Gallon | 5.49% |
| Next | 10,000 Gallons | 0.01092 | 0.01152 | Per Gallon | 5.49% |
| Next | 20,000 Gallons | 0.01006 | 0.01061 | Per Gallon | 5.47% |
| Over | 37,000 Gallons | 0.00886 | 0.00934 | Per Gallon | 5.42% |
| Bulk Station Rates | | 0.00830 | 0.00934 | Per Gallon | 12.53% |

Wholesale Rates

| | | | | |
|-------------------|-----------|-----------|------------|-------|
| Doe Valley Water | \$0.00594 | \$0.00626 | Per Gallon | 5.39% |
| Otter Creek Water | \$0.00608 | \$0.00641 | Per Gallon | 5.43% |

Nonrecurring Charges

| | |
|--|---------|
| Connection/Turn-On Charge | \$28.00 |
| Connection/Turn-On Charge (After Hours) | \$84.00 |
| Field Visit | \$28.00 |
| Meter Re-Read Charge | \$28.00 |
| Meter Re-Read Charge (After Hours) | \$84.00 |
| Service Call/Investigation | \$28.00 |
| Service Call/Investigation (After Hours) | \$84.00 |
| Returned Check Charge | \$15.00 |

| Meter Relocation Charge | Actual Cost |
|-------------------------|-------------|
| Meter Test | \$85.00 |
| Reconnection Charge | \$28.00 |
| Meter Tampering Charge | \$28.00 |

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 \$45.81 to \$48.32, an increase of \$2.51, or approximately 5.47 percent. This filing may be examined at the offices of Meade District located at 1003 Amory Place, Brandenburg, Kentucky 40108; telephone 270-422-5006.

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/2023%20Cases/2023-00039//20230628_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

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