

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY WATER DISTRICT)	
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY TO CONSTRUCT A SYSTEM)	CASE NO.
IMPROVEMENTS PROJECT AND AN ORDER)	2019-00275
APPROVING A CHANGE IN RATES AND)	
AUTHORIZING THE ISSUANCE OF SECURITIES)	
PURSUANT TO KRS 278.023)	

ORDER

On August 29, 2019, Big Sandy Water District (Big Sandy District) tendered an amended application, pursuant to KRS 278.023, requesting a Certificate of Public Convenience and Necessity (CPCN) to construct a system improvements project, approval of financing for the proposed project, and an increase in the rates. The amended application was tendered following an Order by the Commission dated August 26, 2019, in which the Commission rejected Big Sandy District’s original application because the notice to customers published by Big Sandy District violated the filing requirements in 807 KAR 5:069, Section 3. As a result of the faulty notice, ratepayers did not receive actual notice of the accurate amount of the rate adjustment, did not receive notice that Big Sandy District proposes a unified rate design, and did not receive actual notice of a rate increase to a wholesale customer.

The notice to customers included in the August 29, 2019, amended application also violates the filing requirements of 807 KAR 5:069, Section 3. Pursuant to 807 KAR 5:069, Section 3(4)(b)–(c) a utility is required to include in the notice the present rates

and proposed rates for each customer classification to which the proposed rates will apply, and the amount of change requested in both dollar amounts and percentage changes for each customer classification. As discussed in the August 26, 2019 Order, Big Sandy provided the required notice only for Division 1, Original Big Sandy Water District Area (Division 1), but not for Division 2, Overland Development Area (Division 2) or for Cannonsburg Water District. The notice included in the amended application includes the required notice for Cannonsburg Water District, but failed to include the dollar amount and percentage change for Division 2 customers. Although the proposed rate for Division 1 customers with 5/8" meters is applicable to Division 2 customers, the dollar amount and percentage change are not applicable. Division 2 customers had been paying higher rates and, with the proposed rate adjustment, will pay significantly lower rates, which is not reflected in the notice.

For the above reason, the Commission finds that the amended application is deficient and will not be accepted for filing until the deficiency is cured. The Commission further finds that Big Sandy District should provide notice to customers that comports with the filing requirements of 807 KAR 5:069, Section 3, by setting forth the current and proposed rates and amount of change in dollar amount and percentage change for Division 1, Division 2, and Cannonsburg Water District.

Finally, KRS 278.023 requires the Commission to issue an Order no later than 30 days after filing an application such as the application tendered in this case. Pursuant to 807 KAR 5:001, Section 4(9)(2), a paper shall not be deemed filed until the paper is physically received and meets all applicable requirements of KRS Chapter 278 and KAR Title 807. Because the application does not meet the applicable filing requirements of

807 KAR 5:069, Section 3(4)(b)–(c), the application has not yet been filed, and the 30-day statutory deadline will not begin to run until the filing deficiency is cured.

IT IS THEREFORE ORDERED that:

1. Big Sandy District's application for a CPCN, financing, and rate adjustment is rejected as deficient for failure to comply with the filing requirements of 807 KAR 5:069, Section 3(4)(b)–(c).

2. Within 20 days of the date of entry of this Order, Big Sandy District shall file documents to cure the filing deficiencies.

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By the Commission

ENTERED
SEP 04 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00275

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