

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTH)	
HOPKINS WATER DISTRICT FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT A SYSTEM)	2020-00126
IMPROVEMENTS PROJECT AND AN ORDER)	
AUTHORIZING THE ISSUANCE OF)	
SECURITIES PURSUANT KRS 278.023)	

ORDER

On April 23, 2021, North Hopkins Water District (North Hopkins District) filed a motion for relief from the Commission’s Order entered on May 6, 2020, in this matter. In support of its motion, North Hopkins District submitted a rate study performed by Kentucky Rural Water Association. The Commission finds that the rate study shows a reasonably true and accurate representation of the 2020 calendar year and that North Hopkins District will have sufficient cash flow to operate and additionally pay the debt service and accumulate funds for depreciation regarding the project originally proposed in this matter. The rate study uses the historical 12-month test year ending December 31, 2020. The study stated water loss for the test year as 27.22 percent and excluded \$48,724 in expenses associated with water costs over the allowable 15 percent.¹

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent water loss threshold and strongly encourages North Hopkins District to pursue reasonable actions to reduce its water loss. Failure by North

¹ *Analysis and Recommendations for Water Rates North Hopkins Water District April 16, 2021* (filed Apr. 21, 2021) at References 1 of 2.

Hopkins District to make significant process towards reducing water loss may cause the Commission to pursue additional action with the utility.

Based upon a review of the record, the Commission finds that North Hopkins District should be excused from the requirement to file an alternative rate filing or initiate a general rate case by May 6, 2021, pursuant to Commission's Order entered on May 6, 2020. The Commission finds that North Hopkins District should report the total gallons and percentage of water it purchases from each of its suppliers and at what rate within 12 months of the date of this Order. The Commission also finds that North Hopkins District should adopt a policy to review its rate sufficiency at least every three years.²

IT IS THEREFORE ORDERED that:

1. North Hopkins District's motion of April 23, 2021, is granted.
2. North Hopkins District is excused from the requirement to file for an adjustment in its base rates or file an alternative rate filing by May 6, 2021.
3. North Hopkins District shall report 12 months from the date of this Order the total gallons and the percentage of water it purchases from each of its suppliers and the rate it pays for that water.
4. North Hopkins District shall adopt a policy to review its rate sufficiency at least every three years.
5. This case is closed and removed from the Commission's docket.

² See Case No. 2019-00041, *Electronic Investigation into Excessive Water Loss by Kentucky's Jurisdictional Water Utilities* (Ky. PSC Nov. 22, 2019).

By the Commission



ATTEST:


Executive Director

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