

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WESTERN)	
PULASKI COUNTY WATER DISTRICT FOR A)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR)	2021-00445
5:076)	

ORDER

This matter arises upon Western Pulaski County Water District (Western Pulaski District) acceptance of Commission Staff's recommendation regarding the amount of a rate increase that amended Western Pulaski District's application to request higher rates than initially requested. Western Pulaski District requested an increase in its revenue requirement of \$622,923 or 18.83 percent over test-year normalized revenues. When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Western Pulaski District would require an increase of \$744,558 or 22.51 percent. On May 6, 2022, Western Pulaski District filed with the Commission its comments in response to Commission Staff's April 26, 2022 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 5:001, 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 Western Pulaski District accepted Commission Staff's proposed increase of \$744,558, Western Pulaski District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$121,635 or is 119.53 percent of the original proposed rates¹. Consistent with 807 KAR 5:076, Section 11(3)(f), because Western Pulaski District amended its application on May 6, 2022, when it accepted the revenue increase proposed by Commission Staff that exceeded the 110.00 percent threshold, and because the amended application does not relate back to the original application, Western Pulaski District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or November 4, 2022, which is six months from the date the application was amended, whichever comes first.

¹ \$744,558 / \$622,923 = 119.53%.

Because Western Pulaski District accepted rates that exceed the regulatory threshold for renote, the Commission finds that Western Pulaski District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of this Order, Western Pulaski 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. Western Pulaski District's amended application is accepted as filed as of May 6, 2022.

2. Western Pulaski 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.

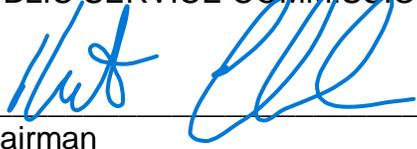
3. Within 14 days of the date of this Order, Western Pulaski District shall notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice shall contain the information set forth in the Appendix to this Order.

4. Western Pulaski 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



Chairman

Vice Chairman



Commissioner

ENTERED
JUL 25 2022 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00445 DATED JUL 25 2022

On December 7, 2022, the Kentucky Public Service Commission (PSC) accepted for filing Western Pulaski County Water District’s (Western Pulaski District) application requesting to increase its revenue from water sales by \$622,923 an approximate increase of 18.83 percent. On April 26, 2022, Commission Staff determined would require an increase of \$744,558 or 22.51 percent in revenue from water sales. Western Pulaski District requests the PSC approve its recommended revenue requirements and that Western Pulaski District be allowed to implement the revised rates as follows:

Monthly Water Rates

Gallons per Month	Current Rates per Gallon	Gallons per Month	Requested Rates per Gallon	\$ Change	% Change
<u>5/8- x 3/4-Inch Meter</u>		<u>5/8- x 3/4-Inch Meter</u>			
First 2,000 Gallons (Min. Bill)	\$17.58	First 2,000 Gallons (Min. Bill)	\$21.54	3.96000	22.53%
Over 2,000 Gallons	0.00631	Over 2,000 Gallons	0.00773	0.00142	22.50%
<u>1-Inch Meter</u>		<u>1-Inch Meter</u>			
First 2,000 Gallons (Min. Bill)	\$67.82	First 2,000 Gallons (Min. Bill)	\$83.09	15.27000	22.52%
Over 2,000 Gallons	0.00631	Over 2,000 Gallons	0.00773	0.00142	22.50%
<u>1 1/2-Inch Meter</u>		<u>1 1/2-Inch Meter</u>			
First 2,000 Gallons (Min. Bill)	\$99.22	First 2,000 Gallons (Min. Bill)	\$121.55	22.33000	22.51%
Over 2,000 Gallons	0.00631	Over 2,000 Gallons	0.00773	0.00142	22.50%
<u>2-Inch Meter</u>		<u>2-Inch Meter</u>			
First 2,000 Gallons (Min. Bill)	\$130.62	First 2,000 Gallons (Min. Bill)	\$160.02	29.40000	22.51%
Over 2,000 Gallons	0.00631	Over 2,000 Gallons	0.00773	0.00142	22.50%
<u>3-Inch Meter</u>		<u>3-Inch Meter</u>			
First 2,000 Gallons (Min. Bill)	\$193.42	First 2,000 Gallons (Min. Bill)	\$236.96	43.54000	22.51%
Over 2,000 Gallons	0.00631	Over 2,000 Gallons	0.00773	0.00142	22.50%
<u>Leak Adjustment</u>		<u>Leak Adjustment</u>			
Usage Above Average	\$0.00402		\$0.00492	\$0.00090	22.39%
Water Loss Reduction Surcharge			\$1.70 (per customer)		

Nonrecurring Charges

	<u>Current Charge</u>	<u>Requested Charge</u>
Service Call/Investigation	\$35	\$0
Meter Test Charge	\$35	\$51
Meter Re-Read Charge	\$25	\$0
Reconnection Charge	\$35	\$0
Connection Charge	\$25	\$0
Tampering Charge	\$50	Actual Cost
Returned Check Charge	\$25	\$5

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 3,277 gallons a month from \$23.89 to \$29.27, an increase of \$5.38 or approximately 22.52 percent. This filing may be examined at the offices of Western Pulaski District located at 2128 W. highway 80, Somerset, KY 42503. You may contact the office at 606-679-1569.

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/Case/ViewCaseFilings/21-445>

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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