

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BARKLEY LAKE	)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT	)	2021-00454
PURSUANT TO 807 KAR 5:076	)	

ORDER

This matter arises upon Barkley Lake Water District's (Barkley Lake District) acceptance of Commission Staff's recommendation regarding the amount of a rate increase that amended Barkley Lake District's application to request higher rates than initially requested. Barkley Lake District requested an increase in its revenue requirement of \$155,315 or 5.97 percent over test-year normalized revenues. When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Barkley Lake District would require an increase of \$386,587 or 14.85 percent. On May 12, 2022, Barkley Lake District filed with the Commission its comments in response to Commission Staff's April 28, 2022 report (Commission Staff 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 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 Barkley Lake District accepted Commission Staff's proposed increase of \$386,587, Barkley Lake District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$231,272 or is 248.91 percent of the original proposed rates.<sup>1</sup> Consistent with 807 KAR 5:076, Section 11(3)(f), because Barkley Lake District amended its application on April 28, 2022, 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, Barkley Lake District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or October 28, 2022, which is six months from the date the application was amended, whichever comes first.

Because Barkley Lake District accepted rates that exceed the regulatory threshold for re-notice, the Commission finds that Barkley Lake District should provide notice of the

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<sup>1</sup>  $\$386,587 / \$155,315 = 248.91\%$ .

proposed rate increase to its customers. Within 14 days of the date of this Order, Barkley Lake District shall notify its customers of the implementation of the rates calculated in the Commission Staff 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. Barkley Lake District's amended application is accepted as filed as of April 28, 2022.

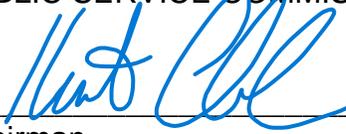
2. Barkley Lake District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or six months from the date the application was amended, whichever comes first.

3. Within 14 days of the date of this Order, Barkley Lake District shall notify its customers of the implementation of the rates calculated in the Commission Staff 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. Barkley Lake 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 decision-based upon the existing record.

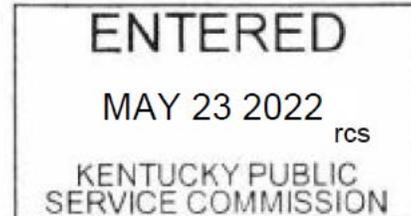
PUBLIC SERVICE COMMISSION



Chairman

\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00454 DATED MAY 23 2022

On December 15, 2021, the Kentucky Public Service Commission (PSC) accepted for filing Barkley Lake Water District's (Barkley Lake District) application requesting to increase its revenue from water sales by \$155,315 an approximate increase of 5.97 percent. On April 28, 2022, Commission Staff determined Barkley Lake District would require an increase of \$386,587 or 14.85 percent in revenue from water sales. Barkley Lake District requests the PSC approve its recommended revenue requirements and that Barkley Lake District be allowed to implement the revised rates as follows:

			<u>Current</u>	<u>Proposed</u>		<u>% Increase</u>
5/8- x 3/4-Inch Meter	First	2,000 Gallons	\$21.78	\$25.00	Minimum Bill	14.78%
	Next	98,000 Gallons	0.00734	0.00844	Per Gallon	14.98%
	Next	400,000 Gallons	0.00633	0.00686	Per Gallon	8.37%
	Over	500,000 Gallons	0.00436	0.00500	Per Gallon	14.68%
1-Inch Meter	First	2,000 Gallons	\$36.45	\$41.86	Minimum Bill	3.67%
	Next	98,000 Gallons	0.00734	0.00844	Per Gallon	14.98%
	Next	400,000 Gallons	0.00633	0.00686	Per Gallon	8.37%
	Over	500,000 Gallons	0.00436	0.00500	Per Gallon	14.68%
1 1/2-Inch Meter	First	2,000 Gallons	\$65.82	\$75.59	Minimum Bill	3.67%
	Next	98,000 Gallons	0.00734	0.00844	Per Gallon	14.98%
	Next	400,000 Gallons	0.00633	0.00686	Per Gallon	8.37%
	Over	500,000 Gallons	0.00436	0.00500	Per Gallon	14.68%

2-Inch Meter	First	2,000 Gallons	\$117.19	\$134.59	Minimum Bill	3.67%
	Next	98,000 Gallons	0.00734	0.00844	Per Gallon	14.98%
	Next	400,000 Gallons	0.00633	0.00686	Per Gallon	8.37%
	Over	500,000 Gallons	0.00436	0.00500	Per Gallon	14.68%
4-Inch Meter	First	2,000 Gallons	\$190.60	\$218.90	Minimum Bill	3.67%
	Next	98,000 Gallons	0.00734	0.00844	Per Gallon	14.98%
	Next	400,000 Gallons	0.00633	0.00686	Per Gallon	8.37%
	Over	500,000 Gallons	0.00436	0.00500	Per Gallon	14.68%
Wholesale Rates			0.00245	0.00281	Per Gallon	14.69%

#### Nonrecurring Charges

Meter Re-Read Charge	\$25.00
Meter Test Charge	\$25.00
Meter Damage	Actual Cost
Meter Lock Charge	\$10.00
Meter Unlock Charge	\$6.00
Meter Unlock Charge AH	\$64.00
Returned Check Charge	\$5.00
Service Termination Field Collection Charge	\$10.00

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 \$36.46 to \$41.88 increase of \$5.42, or approximately 14.87 percent.

This filing may be examined at the offices of Barkley Lake District located at 1420 Canton Rd in Cadiz, Kentucky; telephone (270) 522-8425.

Any person may examine this filing at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday - Friday, 8:00 am - 4:30 pm or on the PSC website at <http://psc.ky.gov>; telephone (502) 564-3940.

A copy of the PSC Staff report can be found at the following address:

[https://psc.ky.gov/pscscf/2021%20Cases/2021-00454//20220428\\_STAFF\\_REPORT.pdf](https://psc.ky.gov/pscscf/2021%20Cases/2021-00454//20220428_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](mailto: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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