

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF)	
CAMPBELLSVILLE MUNICIPAL WATER AND)	CASE NO.
SEWER SYSTEM REVISING ITS WHOLESALE)	2022-00278
WATER SERVICE RATES)	

ORDER

On July 20, 2022, Campbellsville Municipal Water and Sewer System (Campbellsville Water) filed with the Commission a revised tariff sheet setting forth a proposed increase to its existing wholesale water rates to Columbia/Adair Utilities District (Adair District), East Casey County Water District (East Casey District), Green-Taylor Water District (Green-Taylor District), Larue County Water District (Larue District) and Marion County Water District (Marion District) (collectively, the Districts) effective August 19, 2022. Campbellsville Water’s current monthly wholesale water rate to the Districts, excluding Green-Taylor District, is \$2.54 per 1,000 gallons. Campbellsville Water’s proposal increases the wholesale water rate to Adair District, East Casey District, Larue District, and Marion District by \$0.41 per 1,000 gallons, or 16 percent, to \$2.95 per 1,000 gallons. Campbellsville Water’s current monthly wholesale water rate to Green-Taylor District is \$2.38 per 1,000 gallons. Campbellsville Water’s proposal increases the wholesale water rate to Green Taylor District by \$0.38 per 1,000 gallons, or 16 percent, to \$2.76 per 1,000 gallons.

On August 17, 2022, Green-Taylor District, through counsel, submitted a letter requesting the Commission “to initiate a formal proceeding to investigate the

reasonableness of the proposed rate, establish a procedural schedule that allows for discovery, and issue all orders necessary to ensure that the proposed rate is not placed into effect of otherwise assessed before the required hearing.”¹ Green-Taylor District also requested that the Commission, pursuant to 807 KAR 5:001, Section 8, direct the use of electronic filing procedures for such a proceeding.

Upon receipt of the request from Green-Taylor District to examine the proposed rate adjustment, the Commission initiated this proceeding on August 18, 2022, suspended the proposed rates for five months, up to and including January 18, 2023, and issued a procedural schedule to review the reasonableness of the proposed tariffs. On September 2, 2022, the Commission, by its own motion, suspended the procedural schedule established on August 18, 2022 to afford the parties further opportunity to file notice of appearance. The Commission also scheduled an Informal Conference (IC) for September 15, 2022, to take place via video conference link to discuss issues on rehearing in this proceeding.

On September 20, 2022, Green-Taylor District filed a motion to dismiss the case with prejudice and remove it from the Commission’s docket. In support for this motion, Green-Taylor District stated that as a result of the IC held on September 15, 2022, and the discovery responses provided by Campbellsville Water, Green-Taylor District is

¹ While Green-Taylor District also asserts that KRS 278.200 requires the Commission to hold a hearing before Campbellsville Water can adjust its wholesale rate, KRS 278.200 provides only for a hearing “in the manner prescribed in this [KRS 278] chapter.” Pursuant to KRS 278.190(1), “[t]he commission may, upon its own motion, or upon complaint... hold a hearing concerning the reasonableness of the new rates.” Thus, a hearing is not required. The filing of a revised tariff by a municipal utility “requires an opportunity for a hearing by the Commission before the proposed revision can become effective” Case No. 2011-00419, Proposed Revision of Rules Regarding the Provision of Wholesale Water Service by the City of Versailles to Northeast Woodford Water District (PSC Ky. Aug. 12, 2014), Order at 11.

adequately informed and satisfied that the proposed wholesale water service rates are reasonable.

LEGAL STANDARD

In accordance with KRS 278.303, the legal standard applied to this matter is whether the rates are fair, just and reasonable.²

DISCUSSION AND FINDINGS

Having considered Green-Taylor District's motion to withdraw and being otherwise sufficiently advised, the Commission finds that the motion shall be granted and that Campbellsville Water's proposed rate should be allowed to become effective. The purpose of the Commission's jurisdiction over a municipal utility's wholesale transactions with a public utility is to ensure that any public utility "consumer/customer that has contracted and become dependent for its supply of water from a city utility is not subject to either excessive rates or inadequate service."³ As the proposed rates on their face appear neither unreasonable nor unconscionable, the Commission sees no need to conduct further proceedings in this matter. The Commission recommends that for future wholesale rate increases, that the parties engage in conversation prior to rate filings to discuss questions and concerns.

IT IS THEREFORE ORDERED that:

1. Green-Taylor District's motion to dismiss the instant case with prejudice and remove it from the Commission docket is granted.

² KRS 278.030; and Pub. Serv. Comm'n v. Com. ex rel. Conway, 324 S.W.3d 373, 377 (Ky. 2010).

³ Simpson County Water District v. City of Franklin, Ky., 872 S.W.2d 460, 465 (Ky. 1994).

2. Campbellsville Water's proposed wholesale water service rate of \$2.95 per 1,000 gallons to Adair District, East Casey District, Larue District, and Marion District is approved for service rendered on and after the date of this Order.

3. Campbellsville Water's proposed wholesale water service rates of \$2.76 per 1,000 gallons to Green-Taylor District is approved for service rendered on and after the date of this Order.

4. Within 20 days of the date of service of this Order, Campbellsville Water shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth out the rates and charges approved herein and their effective date, and stating that the rates and charges were authorized by this Order.

5. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner



ATTEST:



Executive Director

*Diane Ford-Benningfield
Mayor
Campbellsville Municipal Water and Sewer
110 S. Columbia Avenue
Suite A
Campbellsville, KY 42719

*John D Henderson
John D. Henderson, P.S.C.
103 West Court Street Suite E
Greensburg, KENTUCKY 42743

*John C. Miller
Bertram, Cox, & Miller, LLP
321 East Main Street
P. O. Box 1155
Campbellsville, KENTUCKY 42719

*Campbellsville Municipal Water and Sewer
110 S. Columbia Avenue
Suite A
Campbellsville, KY 42719

*Will Reynolds
Finance Manager
Campbellsville Municipal Water and Sewer
110 S. Columbia Avenue
Suite A
Campbellsville, KY 42719