

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE CITY OF)	CASE NO.
HARRODSBURG WATER DEPT. REVISING ITS)	2022-00349
WHOLESALE WATER SERVICE RATES)	

ORDER

On December 21, 2022, the city of Harrodsburg (Harrodsburg) filed a motion seeking the Commission's acceptance of its filing of its proposed tariff related to a rate case expense surcharge and incorporate the issue of the reasonableness of that surcharge into the record of this proceeding. Harrodsburg also requested permission to deviate from the procedures identified in 807 KAR 5:011 pertaining to the filing of tariffs.

LEGAL STANDARD

Commission regulation 807 KAR 5:011, Section 15, states the Commission shall, in special cases and for good cause shown, permit deviations from 807 KAR 5:001.

DISCUSSION AND FINDINGS

Harrodsburg has proposed to increase its rates for wholesale water service to North Mercer Water District and Lake Village Water Association in this case. In its motion, Harrodsburg stated its proposed rates did not contemplate the incurred expenses from this rate case and accordingly it is proposing a rate case expense surcharge to recover its total amount of rate case expense incurred as a result of this proceeding. Harrodsburg proposed to recover its rate case expenses over a thirty-six-month period, which it stated is consistent with prior Commission decisions. Harrodsburg also proposed that the

surcharge be effective on the date that the Commission issues its final order in this matter and no earlier than 30 days after the date of the filing of this motion.

Harrodsburg also requested to deviate from 807 KAR 5:011, Section 2, which requires utilities' proposed tariffs to be filed electronically with the Electronic Tariff Filing System. Harrodsburg argued this is unnecessary because the proposed surcharge should be considered in the context of this case and stated it is more appropriate for this proposed tariff to be filed for consideration in this matter rather than through the Electronic Tariff Filing System.

The Commission finds it is currently unable to determine if the rate case recovery surcharge is just, fair and reasonable, and will grant Harrodsburg's motion to incorporate and consider the issue as part of the case to be resolved in the final determination after proper investigation and review. The Commission further finds that a deviation from 807 KAR 5:011, Section 2, should be granted in this instance. However, the Commission finds that Harrodsburg's request to include a rate case expense surcharge amends the original wholesale rate increase, per 807 KAR 5:001, Section 4(5), and does not relate back to the date the case was initiated.

KRS 278.180(1) provides:

Except as provided in subsection (2) of this section, no change shall be made by any utility in any rate except upon thirty (30) days' notice to the commission, stating plainly the changes proposed to be made and the time when the changed rates will go into effect. However, the commission may, in its discretion, based upon a showing of good cause in any case, shorten the notice period from thirty (30) days to a period of not less than twenty (20) days. The commission may order a rate change only after giving an identical notice to the utility. The commission may order the utility to give notice of its proposed rate increase to that utility's customers in the manner set forth in its regulations.

In proposing the surcharge, Harrodsburg effectively made a motion to amend and filed a revised tariff sheet with an effective date of January 21, 2023. The Commission finds that the tariff sheet filed on December 21, 2022, is a schedule that contains new rates, and that Harrodsburg's motion changed the effective date for the proposed wholesale water service rate from October 31, 2022, to January 21, 2023.

The Commission finds that, pursuant to KRS 278.190(2), it may "at any time before the schedule becomes effective, suspend the operation of the schedule and defer the use of the rate, charge, classification or service." The Commission finds that further proceedings are necessary to determine the reasonableness of the proposed tariff filed on December 21, 2022, that such proceedings may not be completed prior to the proposed effective date, and that the tariff sheet filed on December 21, 2022, should be suspended for five months, up to and including May 21, 2023. The procedural schedule entered by Order on October 25, 2022, and as amended on November 30, 2022, should accordingly be amended to allow for proper investigation and review of this matter.

IT IS HEREBY ORDERED that:

1. Harrodsburg's motion to accept the filing of its proposed tariff related to a rate case expense surcharge and incorporate the issue of its reasonableness of that surcharge into the record of this case is granted.
2. Harrodsburg's motion for a deviation from 807 KAR 5:011, Section 2, filing requirements is granted.
3. The proposed rates set forth in Harrodsburg's proposed tariff sheet filed on December 21, 2022, are suspended for five months, from December 21, 2022, up to and including May 21, 2023.

4. The proposed rates set forth in Harrodsburg's tariff sheet filed on December 21, 2022, supersede the originally proposed rates set forth in Harrodsburg's tariff sheet filed on September 27, 2022.

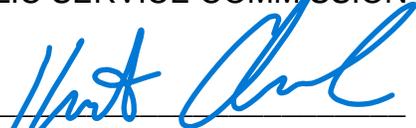
5. The amended procedural schedule set forth in the Appendix to this Order shall be followed.

6. All provisions of the October 25, 2022 Order that are not in conflict with the terms of this Order shall remain in effect.

7. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

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PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman



Commissioner

ENTERED
JAN 20 2023
rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00349 DATED JAN 20 2023

All supplemental requests for information to Harrodsburg
shall be filed no later than 01/26/2023

Harrodsburg shall file responses to supplemental requests
for information no later than 02/09/2023

Intervenor testimony, if any, in verified prepared
form shall be filed no later than 02/17/2023

All requests for information to Intervenors shall
be filed no later than 03/03/2023

Intervenors shall file responses to requests for
information no later than..... 03/17/2023

Harrodsburg shall file, in verified form, its rebuttal
testimony no later than 03/24/2023

Last day for Parties to request a Public Hearing or submit a
request for the matter be decided based upon the written record 03/31/2023

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