

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|------------------------------------|---|------------|
| ELECTRONIC APPLICATION OF MOUNTAIN |) | CASE NO. |
| WATER DISTRICT FOR A GENERAL |) | 2022-00366 |
| ADJUSTMENT OF WATER RATES |) | |

ORDER

On October 31, 2023, the Commission issued a final Order in this matter. On November 9, 2023, Mountain Water District (Mountain District) filed an application for rehearing and requested the Commission amend its October 31, 2023 Order with respect to the implementation of the approved rate adjustment in three phases.

LEGAL STANDARD

KRS 278.400, which establishes the standard of review for motions for rehearing, limits any new evidence on rehearing to evidence not readily discoverable at the time of the original hearings, to correct any material errors or omissions, or to correct findings that are unreasonable or unlawful. A Commission Order is deemed unreasonable only when “the evidence presented leaves no room for difference of opinion among reasonable minds.”¹ An Order can only be unlawful if it violates a state or federal statute or constitutional provision.²

¹ *Energy Regulatory Comm’n v. Kentucky Power Co.*, 605 S.W.2d 46 (Ky. App. 1980).

² *Public Service Comm’n v. Conway*, 324 S.W.3d 373, 377 (Ky. 2010); *Public Service Comm’n v. Jackson County Rural Elec. Coop. Corp.*, 50 S.W.3d 764, 766 (Ky. App. 2000); *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503, 509 (Ky. App. 1990).

By limiting rehearing to correct material errors or omissions, and findings that are unreasonable or unlawful, or to weigh new evidence not readily discoverable at the time of the original hearings, KRS 278.400 is intended to provide closure to Commission proceedings. Rehearing does not present parties with the opportunity to relitigate a matter fully addressed in the original Order.

DISCUSSION AND FINDINGS

The October 31, 2023 Order found that Mountain District required revenue of \$10,513,769 from water sales and an increase of \$2,238,883 in revenue from pro forma water sales of \$8,559,379 to meet this revenue requirement, and ordered that the increase be phased in over a two-year period in three phases. In its application for rehearing, Mountain District argued that the Mountain District Board of Commissioners' Resolution 23-02-0012 proposed the implementation of a phase-in of rates for its sewer operations only,³ and it requested in its application that one set of proposed water rates take effect immediately upon approval.⁴ Mountain District asserted the phase-in of approved water rates, as included in the October 31, 2023 Order, will adversely affect Mountain District's financial condition, and requested the Commission amend the October 31, 2023 Order to allow the implementation of the Phase 3 rates immediately.⁵

Upon review of the record, the Commission finds that the October 31, 2023 Order did mistakenly find that Mountain District requested a phase-in of water rates. The

³ Mountain District's Application for Rehearing (filed Nov. 9, 2023), Exhibit B.

⁴ Mountain District's Application for Rehearing, Exhibit A.

⁵ Mountain District's Application for Rehearing at 4.

Commission further finds that the October 31, 2023 Order should be amended to approve the implementation of the Phase 3 rates immediately.

The Commission further finds that a correction should be made to the October 31, 2023 Order regarding the total water loss reduction surcharge amount allowed to be assessed by Mountain Water District. On page 34 of the October 31, 2023 Order, the Commission found that “a monthly water loss reduction surcharge of \$1.72 per customer over 48 months, or until \$341,402 has been assessed, whichever occurs first,” should be approved; however, that portion of the finding should be corrected to state, “a monthly water loss reduction surcharge of \$1.72 per customer over 48 months, or until \$1,365,608 has been assessed, whichever occurs first,” should be approved.

Finding that the October 31, 2023 Order shall be amended, the Commission, **HEREBY ORDERS**, *nunc pro tunc*, that:

1. That portion of the last sentence on page 38 of the October 31, 2023 Order that states “and to maintain Mountain District’s proposal to phase-in the rates over three-year” is hereby stricken.

2. The second paragraph on page 39 of the October 31, 2023 Order is hereby stricken.

3. Appendix B of the October 31, 2023 Order is hereby stricken and replaced with the Appendix B attached to this Order, and the general water service rates set forth in Appendix B attached to this Order are approved for service that Mountain District renders on and after October 31, 2023.

4. The portion of the finding on page 34 of the October 31, 2023 Order stating, “a monthly water loss reduction surcharge of \$1.72 per customer over 48 months, or until

\$341,402 has been assessed, whichever occurs first,” is hereby stricken and replaced with the following language: “a monthly water loss reduction surcharge of \$1.72 per customer over 48 months, or until \$1,365,608 has been assessed, whichever occurs first,”.

5. All provisions of the October 31, 2023 Order that are not in conflict with the terms of this Order shall remain in effect.

6. This case is closed and removed from the Commission’s docket.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
NOV 29 2023 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00366 DATED NOV 29 2023

The following rates and charges are prescribed for the customers in the area served by Mountain Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

3/4-Inch Meter

| | | |
|-----------------|---------|--------------|
| Customer Charge | \$8.99 | Minimum Bill |
| Volumetric Rate | 0.01114 | Per Gallon |

3/4-Inch Meter, Multiple Users

| | | |
|-----------------|---------|--------------|
| Customer Charge | \$8.99 | Minimum Bill |
| Volumetric Rate | 0.01114 | Per Gallon |

1-Inch Meter

| | | |
|-----------------|---------|--------------|
| Customer Charge | \$12.59 | Minimum Bill |
| Volumetric Rate | 0.01114 | Per Gallon |

2-Inch Meter

| | | |
|-----------------|---------|--------------|
| Customer Charge | \$26.07 | Minimum Bill |
| Volumetric Rate | 0.01114 | Per Gallon |

3-Inch Meter

| | | |
|-----------------|---------|--------------|
| Customer Charge | \$98.89 | Minimum Bill |
| Volumetric Rate | 0.01114 | Per Gallon |

4-Inch Meter

| | | |
|-----------------|----------|--------------|
| Customer Charge | \$125.86 | Minimum Bill |
| Volumetric Rate | 0.01114 | Per Gallon |

6-Inch Meter

| | | |
|-----------------|----------|--------------|
| Customer Charge | \$188.79 | Minimum Bill |
| Volumetric Rate | 0.01114 | Per Gallon |

| | | |
|----------------|-----------|------------|
| Wholesale Rate | \$0.00874 | Per Gallon |
|----------------|-----------|------------|

NONRECURRING CHARGES

| | |
|--|------------|
| Connection Charge | \$14.50 |
| Connection Charge After Hours | \$53.00 |
| Disconnection Charge | \$14.50 |
| Hydrant Installation Charge | \$6,700.00 |
| Meter Reread Charge | \$14.50 |
| Meter Test Charge | \$12.50 |
| Reconnection Charge | \$14.50 |
| Returned Check Charge | \$1.50 |
| Service Investigation Charge | \$14.50 |
| Service Investigation Charge After Hours | \$92.00 |
| Termination Charge | \$14.50 |
| Turn On Charge | \$14.50 |
| Unauthorized Investigation Charge | \$12.50 |

Tap-On Fee

| | |
|----------------|---------|
| 5/8-inch Meter | \$1,225 |
|----------------|---------|

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