

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BLUEGRASS)	CASE NO.
WATER UTILITY OPERATING COMPANY, LLC)	2022-00432
FOR AN ADJUSTMENT OF SEWAGE RATES)	

ORDER

This matter arises from Bluegrass Water Utility Operating Company, LLC's (Bluegrass Water) application for a general rate adjustment based on a historic test period. On April 14, 2023, the Commission entered an Order granting a deviation from certain filing requirements requested by Bluegrass Water, deeming Bluegrass Water's application filed as of April 14, 2023, suspending Bluegrass Water's proposed rates for five months up to and including October 13, 2023, and establishing a procedural schedule. The procedural schedule was amended by an Order entered on May 19, 2023, based on Bluegrass Water's motion for additional time to respond to requests for information. On August 14, 2023, the Attorney General of the Commonwealth through his Office of Rate Intervention (Attorney General) was granted leave to file supplemental testimony outside the time allowed by the procedural schedule after the Commission ruled on the Attorney General's motion to compel certain responses to requests for information to Bluegrass Water, and Bluegrass Water was, in turn, permitted to file supplemental rebuttal testimony.

An evidentiary hearing was held on September 19, 2023, and September 20, 2023. Bluegrass Water responded to post-hearing requests for information October 6, 2023,

and the parties filed simultaneous post-hearing briefs and response briefs on October 27, 2023, and November 10, 2023, respectively. On November 1, 2023, Bluegrass Water filed a notice, pursuant to KRS 278.190(2), stating that it intended to place the rates as proposed in its application into effect for service rendered on or after December 1, 2023, with the first invoices to be issued on or after January 1, 2024, based on its practice of billing in arrears.

Pursuant to KRS 278.190(2), a utility is permitted to place proposed rates into effect at the end of the suspension period, upon written notice to the Commission and subject to refund, pending a final Order. The Commission may require a utility that provides such notice to maintain records that will allow the utility, the Commission, or any customer to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of the case. Further, upon final resolution, the Commission may order a refund to the extent the rates approved in the final Order are lower than rates proposed by the utility and placed into effect pursuant to KRS 278.190(2).¹

Bluegrass Water provided notice that it would place its proposed rates into effect pursuant to KRS 278.190(2) on December 1, 2023, with the first bills being issued on or after January 1, 2024. While a final order may be issued in this matter prior to January 1, 2024, the Commission is still reviewing the voluminous record in this matter such that a final order was not issued by December 1, 2023, when Bluegrass Water indicated it would place its proposed rates into effect pending the final Order pursuant to KRS 278.190(2). Given the adjustments proposed by other parties in this matter and the effects of cases

¹ KRS 278.190(2).

resolved since the application was filed in this case, some of which were acknowledged by Bluegrass Water, the final rates in this matter will likely be lower than those proposed by Bluegrass Water in its application.

IT IS THEREFORE ORDERED that, pursuant to KRS 278.190(2), Bluegrass Water shall maintain its records in such manner as will allow it, the Commission, or any customer to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of this matter.

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PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
DEC 07 2023
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KENTUCKY PUBLIC
SERVICE COMMISSION

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