

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|------------|
| ELECTRONIC TARIFF FILING OF HENDERSON |) | |
| WATER UTILITY FOR APPROVAL OF A |) | CASE NO. |
| SHORTENED NOTICE PERIOD PURSUANT TO |) | 2023-00058 |
| KRS 278.180(1) |) | |

ORDER

On February 1, 2023, Henderson Water Utility (Henderson Water) filed, through the Commission's electronic tariff filing system, a revised tariff sheet setting forth proposed adjustments to its existing rates for wholesale water service to Henderson County Water District (Henderson District) and Beech Grove Water System (Beech Grove Water), effective March 1, 2023. Henderson Water's current monthly wholesale water rates to Henderson District consists of a usage charge for the North System of \$3.2764 per 1,000 gallons and for the South System of \$3.6160 per 1,000 gallons. Henderson Water's proposal increases the usage charge to Henderson District for the North System by \$0.0271 per 1,000 gallons, or 0.83 percent, to \$3.3035 per 1,000 gallons and decreases the usage charge for the South System by \$0.6612 per 1,000 gallons, or 18.29 percent, to \$2.9548 per 1,000 gallons. Henderson Water's current monthly wholesale rate to Beech Grove Water consists of a usage charge of \$3.8117 per 1,000 gallons. Henderson Water's proposal decreases the usage charge to Beech Grove Water by

\$.4537 per 1,000 gallons, or 11.90 percent, to \$3.3580 per 1,000 gallons. Henderson Water requested a shortened notice period for these requested adjustments.¹

LEGAL STANDARD

No change in rates shall be made by a utility except upon 30 days' notice. The Commission may, based upon good cause shown, shorten the notice period from 30 days to a period not less than 20 days.²

The Commission may, upon application by a utility, prescribe a lesser time within which a reduction of rates may be made.³

DISCUSSION AND FINDINGS

The Commission finds that Henderson Water's request for a shortened notice period should be approved and the proposed rates should be allowed to go into effect March 1, 2023, for the reasons below. Henderson Water indicated that there was a delay in filing the proposed tariff due to administrative error and weather-related issues in its area.

As noted above, the proposed rates result in a decrease to Beech Grove Water. While the rate to Henderson District for the North System represents an increase, the rate to Henderson District for the South System represents a decrease. Henderson Water provided the annual consumption for Henderson District for the fiscal year ending June 30, 2022, which was the period used to calculate Henderson Water's proposed rates. For the fiscal year ending June 30, 2022, Henderson District purchased 436,853,000 gallons

¹ Henderson Water requested a shortened notice period pursuant to KRS 278.16(2) (sic), but such a request is governed pursuant to KRS 278.180(1) and (2).

² KRS 278.180(1).

³ KRS 278.180(2).

from Henderson Water's North System and 36,447,674 gallons from Henderson Water's South System.⁴ Using the consumption data provided by Henderson Water, the proposed rates will result in an overall annual decrease to Henderson District of \$12,260.49.⁵ Given that the proposed rates result in an overall reduction to both Henderson District and Beech Grove Water, the proposed effective date falls within the period of time in which the Commission can grant a shortened notice period under either KRS 278.180(1) or KRS 278.180(2).

IT IS THEREFORE ORDERED that:

1. Henderson Water's request for a shortened notice period is approved and the proposed rates are allowed to go into effect March 1, 2023.
2. The Executive Director shall serve a copy of this Order on Henderson District and Beech Grove Water.
3. This case is closed and removed from the Commission's docket.

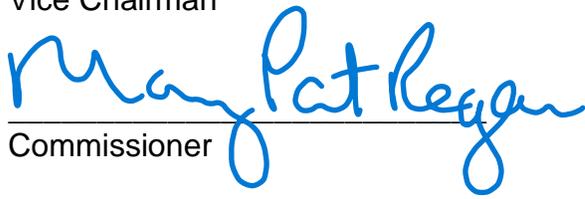
⁴ February 1, 2023 letter to the Public Service Commission from Todd Bowley.

⁵ $(436,853 \times \$0.0271) - (36,447.674 \times \$0.6612) = (\$12,260.49)$.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

*Henderson Water Utility
111 Fifth Street
Henderson, KY 42420

*Todd Bowley
Chief Financial Officer
Henderson Water Utility
111 Fifth Street
Henderson, KY 42420