

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE CITY OF)	
SOMERSET WATER SERVICE TO INCREASE)	CASE NO.
THE WHOLESALE RATE CHARGED TO)	2024-00007
SOUTHEASTERN WATER ASSOCIATION AND)	
WESTERN PULASKI COUNTY WATER DISTRICT)	

ORDER

On December 21, 2023, the city of Somerset Water Service (Somerset Water) filed with the Commission a tariff to increase its wholesale water rates to Southeastern Water Association (Southeastern Water) and Western Pulaski County Water District (Western Pulaski District) with an effective date of January 25, 2024. Somerset Water’s proposed tariff contained three rate increases to be phased in over a two-year period with the first phase becoming effective January 25, 2024, the second phase becoming effective January 25, 2025, and the third phase becoming effective January 25, 2026. By Order¹ dated January 24, 2024, the Commission approved Somerset Water’s proposed Phase 1 wholesale rate, but suspended the proposed Phase 2 and Phase 3 rates for five months, up to and including June 24, 2024. The January 24, 2024 Order also directed Somerset Water to file with the Commission a revised tariff sheet setting forth the approved Phase 1 rates.²

¹ Order (Ky. PSC Jan. 24, 2024) at 5, paragraph 2.

² Order (Ky. PSC Jan. 24, 2024) at 5, paragraph 3.

On February 22, 2024, Somerset Water filed a motion to dismiss the case without prejudice.³ Somerset Water explained in its motion to dismiss that “[b]ecause the Phase 2 and Phase 3 rates are not proposed to become effective until January 2025 at the earliest, Somerset Water requests the Commission dismiss this action without prejudice, as Somerset Water will plan to support future rate increases based on financial data accrued more close in time to the effective date in the future.”⁴

DISCUSSION

Somerset Water’s proposed Phase 1 wholesale rate of \$2.80 per 1,000 gallons for service rendered on and after January 25, 2024, was approved by Commission Order dated January 24, 2024. Additionally, in compliance with the January 24, 2024 Order, Somerset Water filed with the Commission a revised tariff sheet setting forth the approved Phase 1 rates. However, Somerset Water failed to provide financial data to justify its proposed Phase 2 and Phase 3 wholesale water rates. Instead, Somerset Water filed a motion to dismiss without prejudice seemingly because Somerset Water understood it did not have sufficient financial data currently available to justify the proposed future Phase 2 and Phase 3 rates.

Having reviewed the motion to dismiss and being otherwise sufficiently advised, the Commission finds that Somerset Water has not provided sufficient information to justify its proposed Phase 2 and Phase 3 rates at this time. Therefore, Somerset Water’s proposed Phase 2 and Phase 3 rates should be denied. Furthermore, the Commission

³ Somerset Water’s Motion to Dismiss (filed Feb. 22, 2024).

⁴ Somerset Water’s Motion to Dismiss at 1, paragraph 2.

finds that Somerset Water's motion to dismiss without prejudice the investigation into the reasonableness of its proposed Phase 2 and Phase 3 rates should be granted.

IT IS THEREFORE ORDERED that:

1. Somerset Water's proposed Phase 2 and Phase 3 rates are denied.
2. Somerset Water's motion to dismiss without prejudice the investigation into Somerset Water's proposed Phase 2 and Phase 3 rates is granted.
3. This case is closed and removed from the Commission's docket.

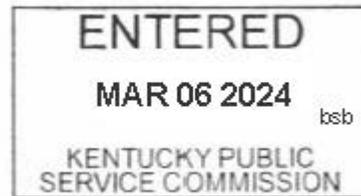
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PUBLIC SERVICE COMMISSION


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Vice Chairman


Commissioner



ATTEST:


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