

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WEBSTER)	
COUNTY WATER DISTRICT FOR AN)	CASE NO.
ALTERNATIVE RATE FILING PURSUANT TO 807)	2024-00199
KAR 5:076)	

ORDER

On July 10, 2024,¹ Webster County Water District (Webster District) tendered an application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. In its application, Webster District Water used the calendar year ended December 31, 2022, as a basis for the application. Webster District filed its 2023 Annual Report with the Commission on May 31, 2024.² No motion was filed requesting a deviation to 807 KAR 5:076, Section 9. By letter dated July 11, 2024, Webster District was notified of five filing deficiencies in its application, two of which were due to the use of the incorrect test year.³

LEGAL STANDARD

Commission regulation 807 KAR 5:076, Section 9 states that, “[t]he reasonableness of the proposed rates shall be determined using a twelve (12) month

¹ Webster District’s application was not deemed filed on July 10, 2024, due to other deficiencies noted in the letter dated July 11, 2024.

² *Annual Report of Webster District to the Public Service Commission for the Year Ending December 31, 2023* (2023 Annual Report).

³ July 11, 2024 Letter, Items 1-2. Items 3 and 4 were also deficient as a result of the use of the incorrect test year although that was not specifically stated in the letter.

historical test period, adjusted for known and measurable changes, that coincides with the reporting period of the applicant's annual report for the immediate past year.”

Commission regulation 807 KAR 5:076, Section 17 provides the Commission with the authority to permit deviations from the regulations in 807 KAR 5:076 upon a showing of good cause. It further states that requests for deviation shall be submitted in writing by letter to the Commission.

DISCUSSION

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Webster District's application should be rejected as failing to meet the requirements of 807 KAR 5:076, Section 9. The Commission can permit deviations under 807 KAR 5:076 upon a showing of good cause. Webster District filed its 2023 Annual report prior to tendering its application in this matter.⁴ Additionally, Webster District did not request a deviation and failed to provide any reason for why it used a 2022 test year. Therefore, the Commission finds that Webster District failed to establish good cause to grant a deviation. Webster District must use its best efforts to file an amended application as soon as possible. The Commission also finds that, because Webster District used the incorrect test year, it should file an amended application using the 2023 test year as required by 807 KAR 5:076, Section 9 and should reissue customer notice in accordance with 807 KAR 5:076, Section 5 with the updated proposed rates.

Because this application has not yet satisfied the legal filing requirements, the Commission finds that this application has not been deemed filed and the statutory period to process this case set forth in 807 KAR 5:076 has not been established. The

⁴ Webster District filed its 2023 Annual Report on May 31, 2024.

Commission also notes that Webster District had additional deficiencies as stated in the July 11, 2024 letter and that all deficiencies must be cured before the application can be deemed filed and the statutory deadlines to begin.

IT IS THEREFORE ORDERED that:

1. Webster District's application is rejected as filed.
2. Webster District's shall file an amended application using the historical test year of 2023, with known and measurable adjustments, that coincides with the most recent annual report, in compliance with 807 KAR 5:076, Section 9 as soon as possible.
3. Webster District shall reissue customer notice in accordance with 807 KAR 5:076, Section 5.
4. Webster District shall file proof of publication of the customer notice within 45 days of the filing of the amended application.
5. Webster District's amended application shall comport with all applicable filing requirements and cure all deficiencies specified in the July 11, 2024 letter prior to the amended application being deemed filed.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner



ATTEST:



Executive Director

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