

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE CITY OF	)	
AUGUSTA TO INCREASE THE WHOLESALE	)	CASE NO.
WATER RATE CHARGED TO BRACKEN	)	2024-00349
COUNTY WATER DISTRICT	)	

ORDER

On September 26, 2024, the city of Augusta (Augusta) applied for approval to modify its tariff provisions related to an increase the wholesale water rate to Bracken County Water District (Bracken District).<sup>1</sup> On November 19, 2024, the Commission suspended Augusta's proposed tariff for five months from December 1, 2024, up to and including April 30, 2025.<sup>2</sup> On November 27, 2024, Bracken District, filed a motion for full intervention,<sup>3</sup> which was granted by the Commission on December 27, 2024.<sup>4</sup> The parties responded to several requests for information<sup>5</sup> and on March 25, 2025, Augusta requested that the matter be taken under submission.<sup>6</sup>

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<sup>1</sup> Augusta's Notice of Proposed Rate Adjustment (filed Sept. 26, 2024).

<sup>2</sup> Order (Ky. PSC Nov.19, 2024) at 4.

<sup>3</sup> Bracken District's Motion to Intervene (filed Nov. 27, 2024).

<sup>4</sup> Order (Ky. PSC Dec. 27, 2024).

<sup>5</sup> Augusta's Response to Commission Staff's First Request for Information (Staff's First Request) (filed Dec.31, 2024); Augusta's Response to Bracken District's First Request for Information (Bracken District's First Request) (filed Jan. 16, 2025); Augusta's Response to Bracken District's Second Request for Information (Bracken District's Second Request) (filed Feb. 6, 2025); Bracken District's Response to Augusta's First Request for Information (Augusta's First Request) (filed Mar. 12, 2025).

<sup>6</sup> Augusta's Request that Matter be taken under Submission (filed Mar. 25, 2025).

On March 26, 2025, Bracken District filed a motion to indefinitely suspend the rate increase request.<sup>7</sup> In addition, Bracken District pointed out that, on March 19, 2025, Augusta amended its application by requesting a rate of \$3.181 per thousand gallons,<sup>8</sup> an increase from the \$2.967 per thousand gallons proposed in the application.<sup>9</sup> Bracken District argued that the amended request must go through the appropriate process of a request for a rate increase, or alternatively, Bracken District asked the Commission to dismiss this rate increase request and require Augusta to file an amended tariff with the new rate.<sup>10</sup> Also, on March 26, 2025, Bracken District filed a request for a hearing before the Commission and the issuance of subpoenas for witnesses.<sup>11</sup>

On April 1, 2025, Augusta filed a notice of intent to impose the \$2.967 per thousand gallons pursuant to KRS 278.190(2) as set forth in its original application effective May 1, 2025.

### ANALYSIS AND FINDINGS

Commission regulation 807 KAR 5:001, Section 3(5), permits the Commission to allow any application to be amended. On March 19, 2025, testimony was provided by Augusta which effectively amended its application by requesting a rate of \$3.181 per thousand gallons, an increase from the \$2.967 per thousand gallons proposed in the

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<sup>7</sup> Bracken District's Request for the KY PSC to Rule on the Request of Augusta to Amend its Rate Increase Request Amount, and to Indefinitely Suspend the Rate Increase Effective Date Until Augusta Perfects its Amendment Request (filed Mar. 26, 2025) at 1.

<sup>8</sup> Rebuttal Testimony of John Laycock, Mayor of Augusta (filed Mar. 19, 2025) at 3 and 10–12.

<sup>9</sup> Notice of Proposed Rate Adjustment (filed Sept. 26, 2024) at 2.

<sup>10</sup> Bracken District's Request for the KY PSC to Rule on the Request of Augusta to Amend its Rate Increase Request Amount, and to Indefinitely Suspend the Rate Increase Effective Date Until Augusta Perfects its Amendment Request.

<sup>11</sup> Bracken District's Request for a Hearing Before The KY PSC, and Issuance of Subpoenas for Witnesses (filed Mar. 29, 2025).

original tariff filing.<sup>12</sup> Bracken District contested the amended amount and requested a hearing. Augusta did not file any responses to any of Bracken District's filings.

Having reviewed the record, the motions and notice filed in this record, the Commission finds that Augusta amended its proposed tariff with the March 19, 2025, filing by providing sworn testimony in support of an increased rate.<sup>13</sup> The Commission finds that further proceedings are necessary to investigate the reasonableness of the amended proposed tariff.

In light of the March 19, 2025 amendment date, the earliest date the new rate could be effective is April 19, 2025. On April 1, 2025, Augusta filed a notice of intent to place the wholesale rate for Bracken District set forth in Augusta's original application into effect on May 1, 2025. Given Augusta's amendment of its application on March 19, 2025, the Commission finds it appropriate to suspend the amended proposed rate for a period of five months, up to and including September 18, 2025, pursuant to KRS 278.190. In light of this finding, Bracken District's motion to indefinitely suspend the rate should be denied. The Commission, on its own motion, finds that a new procedural should be issued for the orderly processing of the case

As a result of Augusta's amendment to the tariff rate, the Commission finds the notice containing the original proposed rate deficient as it is inconsistent with the newly requested rate of \$3.181 per thousand gallons.<sup>14</sup> As Augusta has amended its application

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<sup>12</sup> Rebuttal Testimony of John Laycock, Mayor of Augusta (filed Mar. 19, 2025) at 3 and 10–12.

<sup>13</sup> Rebuttal Testimony of John Laycock, Mayor of Augusta (filed Mar. 19, 2025) at 3 and 10–12.

<sup>14</sup> Rebuttal Testimony of John Laycock, Mayor of Augusta (filed Mar. 19, 2025) at 10 reads in pertinent part that the rate \$2.967 per thousand gallons is insufficient and that \$3.181 per thousand gallons was necessary to "afford Augusta Treatment an opportunity to recover test-year depreciation in the amount of \$42,105 that accrued on all plant including plant financed with long-term debt."

and considering the Commissions find that the amended rate should be suspended, Augusta should not implement the rate in the notice filed April 1, 2025.<sup>15</sup>

Having considered Bracken District's motion requesting a hearing, the Commission finds that a hearing should be held in this matter. Pursuant to 807 KAR 5:001, Section 9(1)(b), the Commission "shall conduct a hearing" if a request is made. A hearing in this matter should be held on July 16, 2025, at 9 a.m. Eastern Daylight Time and continuing until called from the bench by the presiding officer, at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Additionally, the Commission finds that Augusta should give notice of the hearing in accordance with 807 KAR 5:001, Section 9(2), when an Order is issued.

Regarding Bracken District's motion for subpoenas to be issued. All parties are reminded that anyone who has sponsored schedules, testimony, or responses to requests for information in this matter shall be present in person at a hearing, thus a subpoena should be unnecessary. Accordingly, the Commission finds that Bracken District's request for a subpoena for Augusta WTP Operator, Doug Padgett; Mayor, John Laycock; and City of Augusta Expert, Scott Lawless are unnecessary and therefore denied. However, there is no testimony in the record from City Treasurer, Gretchen England. Given the opportunity for the Parties to file additional testimony in this matter, to the extent Bracken District determines a subpoena is necessary in the future Bracken District may refile its motion showing cause as to why the Commission should issue subpoenas.

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<sup>15</sup> 807 KAR 5:001, Section 4(5).

IT IS HEREBY ORDERED that:

1. Augusta's amended application requesting a rate of \$3.181 per thousand gallons be deemed filed on March 19, 2025.
2. The proposed tariff increases set forth in the application and the amended tariff request are suspended up to and including September 18, 2025.
3. Bracken District's request for a hearing is granted.
4. Bracken District's request for subpoenas is denied at this time.
5. Augusta's notice to implement rates is denied.
6. The procedural schedule set forth in the Appendix to this Order shall be followed.
7. All parties shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.
8. A hearing in this matter shall be held on July 16, 2025, at 9 a.m. Eastern Daylight Time and continuing until called from the bench by the presiding officer, at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky.
9. Any party filing with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the

Commission's July 22, 2021, Order in Case No. 2020-00085<sup>16</sup> regarding filings with the Commission.

10. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

11. Any motion to intervene filed after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

12. Augusta shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, [psc.ky.gov](http://psc.ky.gov)" and "Public comments may be made at the beginning of the

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<sup>16</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are *not* required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

hearing. Those wishing to make oral public comments may do so by following the instructions listing on the PSC website, [psc.ky.gov](http://psc.ky.gov).” At the time publication is requested, Augusta shall forward a duplicate of the notice and request to the Commission.

13. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

14. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

15. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

16. All parties shall file a witness list at least seven days prior to the hearing date.

17. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

18. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

19. The Commission does not look favorably upon motions to substitute witnesses or excuse witnesses from testifying at Commission hearings. Accordingly, motions to substitute witnesses or excuse a witness from testifying at a Commission

hearing or from testifying in person at a Commission hearing shall be made in writing at least 14 days prior to the hearing and will be granted only upon a showing of good cause.

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PUBLIC SERVICE COMMISSION

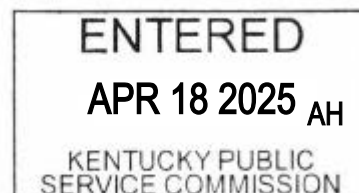
  
Chairman

\_\_\_\_\_  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director



Case No. 2024-00349

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2024-00349 DATED APR 18 2025

Additional testimony by Augusta  
shall be filed no later than ..... 05/07/2025

All initial requests for information to August  
shall be filed no later than ..... 05/19/2025

Augusta shall file responses to initial requests for  
information no later than..... 05/30/2025

Intervenor testimony, if any, in verified prepared  
form shall be filed no later than ..... 06/06/2025

All requests for information to Intervenors shall  
be filed no later than ..... 06/18/2025

Intervenors shall file responses to requests for  
information no later than..... 06/25/2025

Augusta shall file, in verified form, its rebuttal  
testimony no later than ..... 07/02/2025

Public Hearing to be held at 9 a.m. Eastern Daylight Time: Hearing  
at the offices of the Public Service Commission at 211 Sower Boulevard,  
Frankfort, Kentucky, for the purpose of cross-examination  
of witnesses of Augusta and the Intervenor ..... 07/16/2025

Post-Hearing Briefs, if any ..... To be Scheduled

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