

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WESTERN)	
FLEMING COUNTY WATER DISTRICT FOR A)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR)	2021-00406
5:076)	

ORDER

This matter arises upon Western Fleming County Water District (Western Fleming District) acceptance of Commission Staff's recommendation regarding the amount of a rate increase that amended Western Fleming District's application to request higher rates than initially requested. Western Fleming District requested an increase in its revenue requirement of \$10,822 or 0.80 percent over test-year normalized revenues. When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Western Fleming District would require an increase of \$32,011 or 2.38 percent. On May 6, 2022, Western Fleming District filed with the Commission its comments in response to Commission Staff's April 29, 2022 report (Commission Staff's Report) that accepted the amount of the revenue increase, the allocation to the rate classes, and the design of the proposed rates set forth in the Commission Staff's Report.

LEGAL STANDARD

Commission regulation 807 KAR 5:076, Section 11(3)(f) states:

If commission staff reports that the applicant's financial condition supports a higher rate than the applicant proposed or commission staff recommends the assessment of an

additional rate or charge not proposed in the application and commission staff's proposed rates produce a total increase in revenues that exceeds 110 percent of the total increase in revenues that the applicant's proposed rates will produce and the applicant amends its application to request commission staff's proposed rates, the commission shall order the applicant to provide notice of the finding or recommendation to its customers.

Commission regulation 807 KAR 5:076, Section 7(1), provides that an application for an alternative rate adjustment (ARF) may not place the proposed rates into effect until the Commission approves those rates or six months from the date of filing an application.

Commission regulation 807 KAR 5:001, Section 4(5), provides that amendment of an application shall not relate back to the date of the filing of the original application unless the Commission orders otherwise.

DISCUSSION AND FINDINGS

As an initial matter, when Western Fleming District accepted Commission Staff's proposed increase of \$32,011, Western Fleming District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$10,822 or is 295.80 percent of the original proposed rates¹. Consistent with 807 KAR 5:076, Section 11(3)(f), because Western Fleming District amended its application on May 6, 2022, when it accepted the revenue increase proposed by Commission Staff that exceeded the 110 percent threshold, and because the amended application does not relate back to the original application, shall not place the proposed rates into effect until the Commission issues an Order approving the rates or November 6, 2022, which is six months from the date the application was amended, whichever comes first.

¹ \$32,011 (Increase Recommended by Commission Staff) ÷ \$10,822 (Wester Fleming District's Original Request) = 295.80%.

Because Western Fleming District accepted rates that exceed the regulatory threshold for renote, the Commission finds that Western Fleming District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of this Order, Western Fleming District shall notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice shall contain the information set forth in the Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. Western Fleming District's amended application is accepted as filed as of May 6, 2022.

2. Western Fleming District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or six months from the date the application was amended, whichever comes first.

3. Within 14 days of the date of this Order, Western Fleming District shall notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice shall contain the information set forth in the Appendix to this Order.

4. Western Fleming District shall provide proof of publication of the notice to the Commission no later than 30 days from the date of this Order.

5. If the Commission does not receive any written requests for intervention or a hearing in this matter within 30 days of publication of new rates, this case shall stand submitted to the Commission for a decision based upon the existing record.

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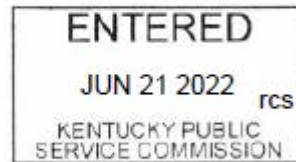
PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman

Commissioner



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00406 DATED JUN 21 2022

On November 5, 2021, the Kentucky Public Service Commission (PSC) accepted for filing Western Fleming Water District's (Western Fleming District) application requesting to increase its revenue from water sales by \$10,822 an approximate increase of 0.80 percent. On April 29, 2022, Commission Staff determined that Western Fleming District requires an increase of \$32,015 or 2.38 percent in revenue from water sales. Western Fleming District requests the PSC approve its recommended revenue requirements and that Western Fleming District be allowed to implement the revised rates as follows:

Meter Size	Current	Proposed		% Increase
<u>5/8- x 3/4-Inch</u>				
First 1,000 Gallons	\$18.63	\$19.07	Minimum Bill	2.36%
Next 6,000 Gallons	0.01028	0.01053	Per Gallon	2.43%
Next 3,000 Gallons	0.00846	0.00866	Per Gallon	2.36%
Over 10,000 Gallons	0.00677	0.00693	Per Gallon	2.36%
1 Connection	\$18.63	\$19.07	Minimum Bill	2.36%
2 Connections	37.26	38.14	Minimum Bill	2.36%
3 Connections	55.89	57.21	Minimum Bill	2.36%
5 Connections	93.15	95.35	Minimum Bill	2.36%
6 Connections	111.78	114.42	Minimum Bill	2.36%
Water Loss Reduction Surcharge		\$1.46	Per Meter	N/A
Wholesale Rates	\$0.00214	\$0.00219	Per Gallon	2.34%
Nonrecurring Charges				
Connection/Turn On Charge			\$20.00	
Reconnection Charge			\$30.00	
Reconnection Charge, After Hours			\$75.00	
Return Check Charge			\$3.00	
Service Call Charge			\$20.00	
Service Call Charge, After Hours			\$50.00	
Service Line Inspections			\$30.00	

The proposed rates shall not become effective until the Public Service Commission has issued an Order approving these rates. The rates will increase the monthly bill of a typical residential customer using 4,000 gallons a month from \$59.75 to \$61.19, an increase of \$1.44 or approximately 2.41 percent. This filing may be examined at the offices of Western Fleming District located at 1500 Ewing Road in Ewing, Kentucky; telephone (606) 267 - 2120.

Any person may examine this filing at the PSC located at 211 Sower Boulevard, Frankfort, Kentucky, Monday–Friday, 8:00 a.m. to 4:30 p.m. or on the PSC website at <https://psc.ky.gov>; telephone (502) 564-3940. A copy of the PSC Commission Staff's Report can be found at the following address:

[Staff Report \(ky.gov\)](#)

Any person may submit comments on the proposed request no later than 30 days after the date of publication of customer notice. Comments shall be in writing and shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602. Comments may also be submitted by electronic mail to psc.comment@ky.gov. If the Commission does not receive any request for intervention or hearing in this matter within 30 days after the date of publication of this customer notice, the Commission will proceed to render a decision in the matter

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