

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG)	
SANDY WATER DISTRICT FOR AN)	CASE NO. 2022-00044
ADJUSTMENT OF ITS WATER RATES)	
PURSUANT TO 807 KAR 5:076)	

MOTION TO AMEND ORDER OF SEPTEMBER 28, 2022

Pursuant to KRS 278.400, Big Sandy Water District (“Big Sandy”) moves to amend the Public Service Commission’s Order of September 28, 2022 to correct inconsistencies within that Order and to clarify the relief granted therein.¹

In support of its motion, Big Sandy District states:

1. On September 16, 2022, Big Sandy District moved to amend the Public Service Commission’s Order of September 13, 2022 to modify the effective date of rates set forth in Appendix B of that Order (“First Motion to Amend”). In its Order of September 28, 2022, the Public Service Commission described the relief sought in that motion as follows:

Big Sandy District requested that the Commission amend the September 13, 2022 Order and **make the new rates effective for meter readings after October 31, 2022**. The new rates will be reflected on all bills issued in November 2022 and be **assessed for all service received during the October 2022 billing cycle**.²

2. Big Sandy District made the First Motion to Amend because of significant obstacles to implementing the ordered rate adjustment in the middle of a billing cycle. Big Sandy District reads its meters on the first workdays of the month and then mails bills based upon those readings

¹ On September 28, 2022, Big Sandy file a Motion to Amend Order of September 28, 2022. It withdrew that motion on October 3, 2022 and advised the Commission that a new motion to clarify the effectives order in the Order of September 13, 2022 would be shortly filed.

² Order of September 28, 2022 at 2-3 (emphasis added).

on the last work day of the month. The issuance date on the bill is the first day of the following month.³ Under the Order of September 13, 2022, the approved rates became effective on September 13, 2022 and would have been reflected on bills for water service issued on the last workday of October 2022. Because of its billing system cannot apply two different rate schedules to total water usage during a billing cycle, Big Sandy District cannot bill the new rates for the time they would have been in the September billing cycle.

3. If the relief requested in the First Motion to Amend were granted, the first bills reflecting the new rates would be mailed on the last workday of November 2022 for service rendered during the October 2022 billing cycle. The new rates would apply to **all days** in the billing cycle and thus avoid the problems identified in the First Motion to Amend.

4. In its Order of September 28, 2022, the Public Service Commission found good cause to grant the First Motion to Amend. That order states:

Based upon the motion and case record, the Commission finds that Big Sandy District established good cause to grant rehearing to amend the September 13, 2022 Order, and therefore **Big Sandy District’s motion is granted**. This is because the Commission has approved placing new rates into effect based upon a utility’s billing cycle in prior cases because it allows for an orderly and less costly transition under the facts presented regarding the timing of the billing cycle and limitations of the utility’s billing software.⁴

5. The relief granted in the Order of September 28, 2022, however, does not grant the relief requested in the First Motion to Amend but instead directs as follows:

³ Big Sandy’s billing cycles for last four months of 2022 are shown below:

Starting Date	End Date (Meters Read)	Bills Mailed	Issuance Date
1-3 August	1-3 September	28 September	1 October
1-3 September	3-5 October	28 October	1 November
3-5 October	1-3 November	30 November	1 December
1-3 November	1-3 December	30 December	1 January

⁴ Order of September 28, 2022 at 3 (emphasis added) (footnote omitted).

1. The monthly water rates for Phase 1 set forth in Appendix B of the September 13, 2022 Order [are] approved **for services rendered by Big Sandy District on and after October 31, 2022.**

2. The monthly water rates for Phase 2 rates set forth in Appendix B of the September 13, 2022 Order are approved **for services rendered by Big Sandy District on and after October 31, 2023.**⁵

6. As written, Ordering Paragraph 1 will result in the effective date for the new rates falling within a billing cycle rather than at the start of a billing cycle and thus poses the same problems that the First Motion to Amend sought to avoid.⁶ (Meter readings will be performed on the first workdays of November.) More importantly, it will effectively delay the full implementation of the new rates for an additional month. The first customer bills fully reflecting the new rates will be those issued at the end of December 2022.

7. Much of the responsibility for the inconsistency rests with Big Sandy's failure to clearly state its requested relief and adequately explain the problems presented by its billing and meter reading practices in the First Motion to Amend.

8. To correct this inconsistency, Big Sandy District requests that Ordering Paragraphs 1 and 2 of the Order of September 28, 2022 be amended to read as follows:

1. The monthly water rates for Phase 1 set forth in Appendix B of the September 13, 2022 Order are approved **for bills issued by Big Sandy District after November 1, 2022.**

2. The monthly water rates for Phase 2 rates set forth in Appendix B of the September 13, 2022 Order are approved **for bills issued by Big Sandy District after November 1, 2023.**

⁵ *Id.* at 3-4 (emphasis added).

⁶ Admittedly the number of days in which the new rates will be in effect during the October billing cycle will be less than if the new rates became effective for service rendered on and after September 13, 2022. Bills issued for meter readings occurring on the first workdays of November 2022 will reflect no more than three days of service at the new rates.

9. Big Sandy further requests that the Order of September 28, 2022 be amended to expressly state an effective date for the approved nonrecurring charges and this date be no later than **October 20, 2022**. Big Sandy can exactly and easily determine that date on which a nonrecurring service is performed, and the charge for the nonrecurring service is incurred. The effective date for those charges, therefore, does not need to be tied to the date of the issuance of bills or meter readings, but can be based upon the date the nonrecurring service is rendered. Tying the effective date of nonrecurring charges to the bill issuance or meter reading date is likely to confuse customers and lead to billing disputes.

10. Finally, Big Sandy requests the Order of September 28, 2022 be amended to authorize the assessment of the water loss reduction surcharge for bills issued after October 1, 2022. Such action would allow the surcharge to be reflected on bills issued on the last workday of October and would allow Big Sandy to begin collecting much earlier the funds needed to address its dire water loss problems.

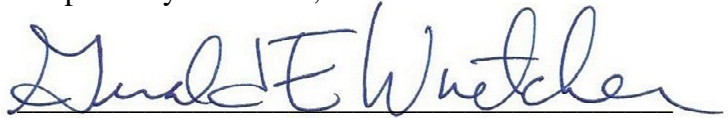
11. A proposed order is attached to this Motion as Exhibit A.⁷

WHEREFORE, Big Sandy Water District requests the Public Service Commission amend its Order of September 28, 2022 to provide that: (1) the Phase 1 month water rates are effective for bills issued after November 1, 2022; (2) the Phase 2 monthly water rates are effective for bills issued after November 1, 2023; (3) the nonrecurring charges set forth in Appendix B of the Order of September 13, 2022 are effective for nonrecurring services provided on and after October 20, 2022; and (4) Big Sandy is authorized to assess the water loss reduction surcharge commencing with bills issued after October 1, 2022.

⁷ An electronic copy of the proposed order in Microsoft Word format is embedded in this document. It can be extracted if Adobe Acrobat Reader or another portable document format viewer or Firefox software is used to view this document.

Dated October 10, 2022

Respectfully submitted,

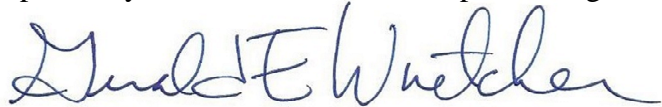


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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on October 10, 2022 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.



Gerald E. Wuetcher

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BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG SANDY)	
WATER DISTRICT FOR AN ADJUSTMENT OF)	CASE NO. 2022-00044
ITS WATER RATES PURSUANT TO 807 KAR)	
5:076)	

ORDER

Big Sandy Water District (“Big Sandy District”) having moved to amend the Commission’s Order of September 28, 2022, to revise and clarify the relief granted therein, and the Commission finding that good cause exists to grant the Motion,

IT IS THEREFORE ORDERED that:

1. Big Sandy District’s Motion to Amend Order of September 28, 2022 is granted.
2. The Order of September 28, 2022 is amended as follows:
 - a. The Monthly Water Rates for Phase 1 set forth in Appendix B of the Order of September 13, 2022 are effective for bills issued after November 1, 2022.
 - b. The Monthly Water Rates for Phase 2 set forth in Appendix B of the Order of September 13, 2022 are effective for bills issued after November 1, 2023.
 - c. The rates for nonrecurring services set forth in Appendix B of the Order of September 13, 2022, are approved for nonrecurring services rendered on and after October 20, 2022.
 - d. Big Sandy District is authorized to assess the Water Loss Reduction Surcharge set forth in Appendix B of the Order of September 13, 2022 beginning with bills issued after October 1, 2022.

3. All other provisions of the Orders of September 13 and September 28, 2022 not in conflict with this Order shall continue in full force and effect.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Executive Director