

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
"ELECTRONICALLY FILED"

In the Matter of:

ELECTRONIC APPLICATION OF SOUTHERN)	
WATER & SEWER DISTRICT FOR)	
IMMEDIATE IMPLEMENTATION OF)	CASE NO. 2023-227
PHASE TWO RATES PREVIOUSLY)	
APPROVED IN CASE # 2022-99)	

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APPLICATION

The Applicant, Southern Water and Sewer District, (hereinafter the "District" or "Southern"), files this Application pursuant to KRS 278.300 and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (hereinafter "PSC") enter an Order authorizing the District to immediately implement the "Phase 2" rates previously authorized by the December 20, 2022 Order in KY P.S.C. Case Number 2022-00099. In support of this Application, and in compliance with the rules and regulations of the PSC, the District states as follows:

1. The District was established pursuant to the provisions of Chapter 74 of the Kentucky Revised Statutes. The District is now, and has been since its inception, regulated by the Kentucky P.S.C., and all records and proceedings of the PSC with reference to the District are incorporated into this Application by reference. The District does not have any Articles of Incorporation because it is a statutorily created entity.
2. The governing body of the District is its Board of Commissioners, which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.
3. The mailing address of Southern is as follows:
Southern Water & Sewer District
245 Kentucky Route 680
P.O. Box 610
McDowell, KY 41647
4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's most recent Annual Report which is on file with the PSC. The Annual Report is incorporated herein by reference.
5. Recently, the District has suffered from significant increases in operating expenses that the District attributes mainly to inflation. These increased costs have resulted in Southern experiencing difficulty meeting its financial obligations.
6. Southern's Board of Commissioner's has voted to request PSC approval to immediately implement the "Phase Two" Rates as set forth in Appendix B to the

PSC's December 20, 2022 Order in Case 2022-99. Ordering Numerical 6 of said Order stated that said Phase 2 Rates shall be implemented on and after January 1, 2024.


7. The District feels as though immediately implementing the Phase Two Rates approved in 22-99 would relieve some of the financial stress that Southern has recently been experiencing and would be in the best interest of the Utility and its customers.
8. The District represents that this proposal is in the public's interest and is intended to accomplish the purpose of improving the financial condition of the District. This is a lawful object within the corporate purposes of the District's utility operations. The immediate implementation of the Phase Two Rates approved in 22-99 is necessary, appropriate for, and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service.
9. Pursuant to 807 KAR 5:001, Section 12-Financial Exhibits; the District hereby responds as follows;
 - i. Section 12(1)(b) The District states that it has had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes to the District's financial condition have occurred since the end of the twelve (12) month period contained in the District's most recent annual report on file with the PSC.
 - ii. Section 2(2)(a), (b) and (c) Stock: The District does not have any authorized, issued or outstanding stock as of the date hereof.
 - iii. Section 12(2)(d) Mortgages: The District does not have any outstanding mortgages as of the date hereof.
 - iv. Section 12(2) (e), (f) and (g) Indebtedness: The information concerning outstanding indebtedness of the District is contained in the District's most recent Annual Report on file with the Commission.
 - v. Section 12(2)(h) Dividends: The District has no outstanding stock and therefore pays no dividends.
10. Pursuant to 807 KAR 5:001, Section 18, the District hereby responds as follows;
 - i. Section 18(1)(a): The District has complied with the requirements of 807 KAR 5:001, Section 14.
 - ii. Section 18(1)(b) A general description of the District's property, its field of operation and a statement of original cost of said property and the cost to the District is contained in the District's most recent Annual report on file with the PSC.
 - iii. Section 18(1)(c) The District is not issuing any stock as part of this Application.
 - iv. Section 18(1)(d): The purpose of this Application is to immediately implement the rates that have already been approved by the PSC to be effective on January 1, 2024 via December 20, 2022 Order in 22-99. The proceeds of these rates shall be used to operate the utility.
 - v. Section 18(1)(e) This application does not request to purchase any specific asset and the proceeds of these rates shall be used to generally operate the utility.

- vi. Section 18(1)(f) This application is not to be used to discharge or refund any obligation.
- vii. Section 18(1)(g) written notification of this Application is being provided to the State Local Debt Officer.
- viii. Section 18(2)(a) See numerical 9 above.
- ix. Section 18(2)(b) The District does not have any outstanding trust deeds or mortgages.

WHEREFORE, the District respectfully requests that the PSC take the following actions:

1. Authorize/Approve the immediate implementation of the Phase Two Rate Structure that was authorized by the PSC on December 20, 2022 in Case 22-99.
2. Process this Application without a formal hearing in order to save time and expense. The District will promptly respond to any information requested by PSC staff.
3. Process this Application and approve the immediate implementation of the Phase Two Rates as soon as possible due to the dire financial need of the Utility.

The undersigned, Jeff Prater, Chairman of Board of Southern Water and Sewer District, hereby verifies that he has personal knowledge of the matters set forth in the above stated application, that the information set forth herein is true and accurate and that he is duly designated by Southern Water and Sewer District to sign this application on its behalf.



Jeff Prater, Chairman

State of Kentucky
County of Floyd

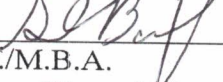
Subscribed and sworn to before me by Jeff Prater, Chairman of Southern's Board of Commissions, on this the 11th day of July, 2023.

My Commission expires: 4/22/24



Notary Public, State of Kentucky

Respectfully Submitted,

s/ Steven Bailey 

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