

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GARRISON-)	
QUINCY-KY-O-HEIGHTS WATER DISTRICT FOR)	CASE NO.
A RATE ADJUSTMENT PURSUANT TO 807 KAR)	2021-00094
5:076)	

ORDER

On October 12, 2022, and as amended on October 14, 2022, Garrison-Quincy-Ky-O-Heights Water District (Garrison District) filed a motion to suspend/deviate the implementation of Phase 2 of the sewer rates granted in the Commission’s Order dated November 24, 2021.

BACKGROUND

The November 24, 2021 Order approved an increase of sewer rates in three phases, with the first year as a 45 percent increase; second year a 15 percent increase to the Phase 1 rates; and the third year a 15 percent increase to the Phase 2 rates. The first phase of rates, which were implemented in January 2022, increased a typical residential customer’s monthly sewer bill from \$33.00 to \$47.85, an increase of \$14.85, or approximately 45 percent. The second phase of rates, currently required to be implemented in January 2023, would further increase a typical customer’s monthly sewer bill from \$47.85 to \$55.03, an increase of \$7.18, or approximately 15 percent. The third phase of rates, to be implemented in January 2024, would increase a typical customer’s monthly sewer bill from \$55.03 to \$63.28, an additional increase of \$8.25, or approximately 15 percent.

Garrison District stated that it has taken steps within its accounting procedures and internal controls to properly allocate costs and revenues among the water division and sewer division of the district and the Phase 1 increase that was implemented. As a result, Garrison District claimed the sewer division is being properly funded by the revenue generated by the Phase 1 rate increase. Garrison District requested that an additional rate study of the district's sewer division be undertaken after the district's 2022 financial information becomes available, and stated it believes that the 2022 financial reports will show a more proper allocation of revenues and expenses among the water and sewer divisions and show that any further rate increase is not necessary. Accordingly, Garrison District requested that the implementation of Phase 2 of its sewer rate increase be suspended and it be allowed to continue the use the Phase 1 Sewer rates until the time that a new rate study is commissioned.

DISCUSSION

As provided by KRS 278.400, "after a determination has been made by the commission in any hearing, any party to the proceedings may, within twenty (20) days after the service of the order, apply for a hearing with respect to any of the matters determined." The final Order granting Garrison District's sewer rates was entered on November 21, 2021. Garrison District did not file a motion for rehearing within the required time pursuant to KRS 278.400, and did not file its motion to suspend the Phase 2 rates until nearly a year had passed from the issuance of the final Order.

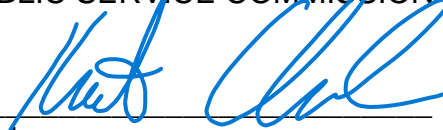
The time for rehearing has passed, and Garrison District has provided no financial information or documentation to support its request to suspend the implementation of Phase 2 rates, other than a mere recitation that the sewer division is being properly

funded by the revenue generated by the Phase 1 rate increase. The Commission finds that Garrison District shall comply with the November 24, 2021 Order and implement the Phase 2 sewer rates in January 2023. Should Garrison District find it necessary after the implementation of Phase 2 rates to adjust the sewer rates prescribed in the November 24, 2021 Order, it should file a new rate case with the Commission for a full investigation of any new proposed rates.

IT IS HEREBY ORDERED:

1. Garrison District's motion is denied.
2. Garrison District shall comply with the Commission's November 24, 2021 Order, including the implementation of the Phase 2 increase, unless ordered otherwise.
3. This case is now closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

*Alan Vilines
Kentucky Rural Water Association
Post Office Box 1424
1151 Old Porter Pike
Bowling Green, KENTUCKY 42102-1424

*Garrison-Quincy-Ky-O-Heights Water District
279 Robins Lane
P. O. Box 279
Garrison, KY 41141

*Trent Underwood
Garrison-Quincy-Ky-O-Heights Water District
279 Robins Lane
P. O. Box 279
Garrison, KY 41141