

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JONATHAN)	CASE NO.
CREEK WATER DISTRICT FOR AN)	2021-00410
ALTERNATIVE RATE ADJUSTMENT)	

ORDER

This matter arises upon Jonathan Creek Water District's (Jonathan Creek District) acceptance of Commission Staff's recommendation regarding the amount of a rate increase that amended Jonathan Creek District's application to request higher rates than initially requested. Jonathan Creek District requested an increase in its revenue requirement of \$23,448, or 2.42 percent, over test-year normalized revenues. When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Jonathan Creek District required an increase of \$91,529 or 9.46 percent. On September 28, 2022, Jonathan Creek District filed with the Commission its comments in response to Commission Staff's September 23, 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 Jonathan Creek District accepted Commission Staff's proposed increase of \$91,529, Jonathan Creek District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$68,081 or is approximately 290 percent of the originally proposed rates.¹ Consistent with 807 KAR 5:076, Section 11(3)(f), because Jonathan Creek District amended its application on September 28, 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, Jonathan Creek District shall not place the

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$$2.90 = \frac{\$91,529 - \$23,448}{\$23,448}$$

proposed rates into effect until the Commission issues an Order approving the rates or March 28, 2023, which is six months from the date the application was amended, whichever comes first.

Because Jonathan Creek District accepted rates that exceed the regulatory threshold for renote, the Commission finds that Jonathan Creek District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of service of this Order, Jonathan Creek 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:

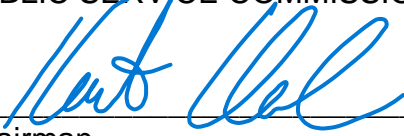
1. Jonathan Creek District's amended application is accepted as filed as of September 28, 2022.
2. Jonathan Creek District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or six months from the date the application was amended, whichever comes first.
3. Within 14 days of the date of service of this Order, Jonathan Creek 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. Jonathan Creek 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. 2021-00410 DATED NOV 07 2022

On May 13, 2022, the Kentucky Public Service Commission (PSC) accepted for filing Jonathan Creek Water District's (Jonathan Creek District) application requesting to increase its revenue from water sales by \$23,448, an approximate increase of 2.42 percent. On September 23, 2022, Commission Staff determined Jonathan Creek District would require an increase of \$91,529 or 9.46 percent in revenue from water sales. Jonathan Creek District requests the PSC approve its recommended revenue requirements and that Jonathan Creek District be allowed to implement the revised rates as follows:

Customer Charge	Current	Proposed		% Increase
5/8- x 3/4- Inch Meter	\$6.96	\$7.62	Minimum Bill	9.48%
1-Inch Meter	\$13.45	\$14.72	Minimum Bill	9.44%
1 1/2-Inch Meter	\$24.29	\$26.59	Minimum Bill	9.47%
2-Inch Meter	\$37.28	\$40.81	Minimum Bill	9.47%
3-Inch Meter	\$67.61	\$74.01	Minimum Bill	9.47%
6-Inch Meter	\$219.22	\$239.96	Minimum Bill	9.46%
All Usage	\$0.00654	\$0.00716	Per Gallon	9.48%

Nonrecurring Charges

Connection/Turn On Charge	\$19.00
Disconnection Charge	\$19.00
Field Collection Charge	\$19.00
Meter Reinstallation Charge	\$19.00
Meter Reread Charge	\$7.00
5/8"x3/4" Meter Test Charge	\$54.00
1" Meter Test Charge	\$89.00
1 1/2" Meter Test Charge	\$89.00
2" Meter Test Charge	\$119.00
Field Meter Test Charge (2", 3" and 4")	\$369.00
Reconnect Charge	\$19.00
Return Check Charge	\$10.00

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 \$33.12 to \$36.26, an increase of \$3.14, or approximately 9.48 percent. This filing may be examined at the offices of Jonathan Creek District at 7564 US Hwy 68, Benton, KY 42025. You may contact the office at 270-354-8474.

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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