

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF REID VILLAGE	)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT	)	2023-00140
PURSUANT TO 807 KAR 5:076	)	

ORDER

This matter arises upon Reid Village Water District’s (Reid Village District) acceptance of Commission Staff’s recommendation regarding the amount of a rate increase that amended Reid Village District’s application to request higher rates than initially requested. Reid Village District requested an increase in its revenue requirement of \$77,069, or 12.70 percent, over test-year normalized revenues.<sup>1</sup> When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Reid Village District would require an increase of \$99,266 or 15.94 percent.<sup>2</sup> On September 28, 2023, Reid Village District filed with the Commission its comments in response to Commission Staff’s September 27, 2023 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

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<sup>1</sup> Application, Attachment 2, Reasons for Application.

<sup>2</sup> Commission Staff’s Report at 4.

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 Reid Village District accepted Commission Staff's proposed increase of \$99,266, Reid Village District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$38,345 or is 128.80 percent of the original proposed rates.<sup>3</sup> Consistent with 807 KAR 5:076, Section 11(3)(f), because Reid Village District amended its application on September 28, 2023, when it accepted the revenue increase proposed by Commission Staff that exceeded the 110 percent threshold,<sup>4</sup> and because the amended application does not relate back to the original application, Reid Village District shall not place the proposed rates into effect until the

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<sup>3</sup>  $99,266 / 77,069 = 128.80\%$

<sup>4</sup>  $110\%$  of the initial proposed revenue increase is  $(110\% \times 77,069 = 84,776)$ .

Commission issues an Order approving the rates or March 28, 2024, which is six months from the date the application was amended, whichever comes first.

Because Reid Village District accepted rates that exceed the regulatory threshold for renote, the Commission finds that Reid Village District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of service of this Order, Reid Village 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. Reid Village District's amended application is accepted as filed as of September 28, 2023.
2. Reid Village 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, Reid Village 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. Reid Village 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

*Keith Chiles*  
Chairman

*Angela Hartson* *by KAC*  
Vice Chairman *w/permission*

*May Pat Regen*  
Commissioner

ENTERED  
OCT 12 2023  
rCS  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

*Linda C. Bridwell*  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00140 DATED OCT 12 2023

On April 26, 2023, the Kentucky Public Service Commission (PSC) accepted for filing Reid Village Water District's (Reid Village District) application requesting to increase its revenue from water sales by \$77,069, an approximate increase of 12.70 percent. On September 27, 2023, Commission Staff determined Reid Village District would require an increase of \$99,266 or 15.94 percent in revenue from water sales. Reid Village District requests the PSC approve its recommended revenue requirements and that Reid Village District be allowed to implement the revised rates as follows:

<u>All Meter Sizes</u>		<u>Current</u>	<u>Proposed</u>		<u>%Increase</u>
First	2,000 Gallons	\$27.21	\$31.55	Minimum Bill	15.95%
Next	1,000 Gallons	0.00941	0.01091	Per Gallon	15.94%
Next	2,000 Gallons	0.00882	0.01023	Per Gallon	15.98%
Next	5,000 Gallons	0.00821	0.00952	Per Gallon	15.96%
Over	10,000 Gallons	0.00759	0.00880	Per Gallon	15.94%

Nonrecurring Charges

Reconnection Charge	\$15.00
Connection Charge	\$10.00
Meter Test Charge	\$60.00
Returned Check Charge	\$5.00

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 \$45.14 to \$52.68, an

increase of \$7.24, or approximately 15.94 percent. This filing may be examined at the offices of Reid Village District located at 950 Winchester Road, Mount Sterling, Kentucky 40353, Kentucky; telephone (859) 498-0062.

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/https://psc.ky.gov/>; telephone (502) 564-3940. A copy of the PSC Commission Staff’s Report can be found at the following address: [https://psc.ky.gov/pscscf/2023%20Cases/2023-00140//20230927\\_STAFF\\_REPORT.pdf](https://psc.ky.gov/pscscf/2023%20Cases/2023-00140//20230927_STAFF_REPORT.pdf).

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](mailto: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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