

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-)	
AMERICAN WATER COMPANY FOR AN)	
ADJUSTMENT OF RATES, A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY FOR)	CASE NO.
INSTALLATION OF ADVANCED METERING)	2023-00191
INFRASTRUCTURE, APPROVAL OF)	
REGULATORY AND ACCOUNTING)	
TREATMENTS, AND TARIFF REVISIONS)	

ORDER

On July 7, 2023,¹ Kentucky-American Water Company (Kentucky-American) filed its application for an increase of rates based on a forecasted test year pursuant to KRS 278.180 and KRS 278.190, a Certificate of Public Convenience and Necessity for Advanced Metering Infrastructure (AMI) meters pursuant to KRS 278.020(1) and 807 KAR 5:001, Section 15(2), approval of a proposed modification to Kentucky-American’s Qualified Infrastructure Program (QIP), approval to establish regulatory assts or liabilities, establishment of an alternative level of unaccounted for water loss, approval of a universal affordability tariff, and approval of its revised tariffs. The application proposed that the new rates become effective on July 30, 2023.² On July 21, 2023, the Commission suspended the effective dates of the proposed rates for six months, up to and including

¹ Kentucky-American tendered its application on June 30, 2023. By letter dated July 7, 2023, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on July 7, 2023.

² Application, Exhibit 2.

February 5, 2024, and established a procedural schedule.³ An evidentiary hearing was held on December 11 and 13, 2023. Kentucky-American responded to post-hearing requests for information on December 22, 2023, and the parties filed simultaneous post-hearing briefs and response briefs on January 5, 2024, and January 12, 2024, respectively.

On February 5, 2024, Kentucky-American filed notice, pursuant to KRS 278.190(2), stating that it intended to place the proposed rates, charges, classifications, and services set forth in the tariffs in effect for service rendered on and after February 6, 2024.⁴ Kentucky-American stated that it intends to put into service “Sheet 49 which resets [Kentucky-American]’s Qualified Infrastructure Program Rider to zero which is consistent with [Kentucky-Americans]’s proposal to roll QIP assets into the base rates [Kentucky-American] is implementing” but does not intend to place any other tariffs in effect.⁵ Kentucky-American attached to its February 5, 2024 notice the tariff sheets it intended to place into effect until the Commission issues a final order.⁶

Pursuant to KRS 278.190(2), a utility is permitted to place proposed rates into effect at the end of the suspension period, upon written notice to the Commission and subject to refund, pending a final Order. The Commission may require a utility that provides such notice to maintain records that will allow the utility, the Commission, or any customer to determine the amounts to be refunded, and to whom, in the event a refund

³ Order (Ky. PSC July 21, 2023).

⁴ Kentucky-American’s Notice of Intention to Implement Proposed Rates (filed Feb. 5, 2024).

⁵ Kentucky-American’s Notice of Intention to Implement Proposed Rates at 1.

⁶ The tariff sheets are Sheet No. 29 (Service Classification No. 1), Sheet No. 31 (Service Classification No. 3), Sheet No. 33 (Service Classification No. 4), Sheet No. 43 (Bulk Sales at Loading Stations), and Sheet No. 49 (QIP Rider).

is ordered upon final resolution of the case. Further, upon final resolution, the Commission may order a refund to the extent the rates approved in the final Order are lower than rates proposed by the utility and placed into effect pursuant to KRS 278.190(2).⁷

Kentucky-American provided notice that it would place its proposed rates into effect pursuant to KRS 278.190(2) on February 6, 2024. The Commission is still reviewing the record in this matter such that a final Order was not issued by February 6, 2024, when Kentucky-American indicated it would place its proposed rates into effect pending the final Order pursuant to KRS 278.190(2). The Commission finds that because its review of the matter is not complete Kentucky-American should be allowed to place its proposed rates identified in its February 5, 2024 notice into effect subject to refund.

IT IS THEREFORE ORDERED that, pursuant to KRS 278.190(2), Kentucky-American shall maintain its records in such manner as will allow it, the Commission, or any customer to determine the amounts to be refunded, and to whom, in the event a refund is ordered upon final resolution of this matter.

⁷ KRS 278.190(2).

PUBLIC SERVICE COMMISSION



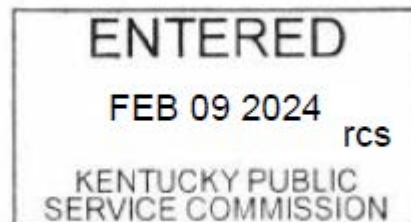
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