

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF RATTLESNAKE)	CASE NO.
RIDGE WATER DISTRICT TO IMPLEMENT A)	2023-00259
NEW NON-RECURRING CHARGE)	

ORDER

On July 5, 2023, Rattlesnake Ridge Water District (Rattlesnake Ridge District) filed, through the Commission's electronic Tariff Filing System, a new tariff to establish a new nonrecurring charge for reconnects with new meters in the amount of \$351. Rattlesnake Ridge District proposed an effective date of August 13, 2023.

LEGAL STANDARD

KRS 278.160(2) provides that no utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules.

KRS 278.170(1) provides that no utility shall as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable preference or disadvantage, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions.

807 KAR 5:006, Section 9(1) states that a utility may make special nonrecurring charges to recover customer-specific costs incurred that would otherwise result in

monetary loss to the utility or increased rates to other customers to whom no benefits accrue from the service provided or action taken.

DISCUSSION AND FINDINGS

Rattlesnake Ridge District, established in 1983, serves 4,089 customers¹ in Carter, Elliott, Lawrence, Lewis, and Morgan counties, Kentucky.² Rattlesnake Ridge District has an open investigation before the Commission.³ As part of that investigation, the utility was originally ordered to file an application for a general rate adjustment pursuant to 807 KAR 5:001, Section 16, or an application for an alternative rate adjustment pursuant to 807 KAR 5:076 by May 7, 2023.⁴ On March 31, 2023, Rattlesnake Ridge filed a second time for an extension.⁵ On April 21, 2023, the Commission granted an extension of time to file for an adjustment of rates by July 31, 2023.⁶

As filed the reconnect with new meter charge would consist of Rattlesnake Ridge District's current \$45 reconnection charge, approved in Case No. 2007-00484,⁷ plus a

¹ *Annual Report of Rattlesnake Ridge District to the Public Service Commission for the Year Ending December 31, 2021* (2021 Annual Report) at 49.

² Rattlesnake Ridge District's 2021 Annual Report at 12.

³ Case No. 2021-00340 *Electronic Investigation into the Financial and Operating Capacity of Rattlesnake Ridge Water District Including Rattlesnake Ridge Water District and Its Individual Commissioners, and Manager David Gifford for Alleged Failure to Comply With KRS 278.300 as Well as Possible Vacancies on the Board of Commissioners of Rattlesnake Ridge Water District* (Ky. PSC Oct 18, 2021).

⁴ Case No. 2021-00340, Nov. 7, 2022 Order, Ordering paragraph 1.

⁵ On Dec. 16, 2022, the Commission denied a request for an extension of time. Between December 2022 and March 2023, Rattlesnake Ridge District obtained new counsel. The March 2023 motion described the steps the utility had taken to comply with the November 7, 2022 Order.

⁶ As of July 31, 2023, Rattlesnake Ridge District filed another motion for an extension of time and the Commission has not issued an Order.

⁷ Case No. 2007-00484, *The Application of Rattlesnake Ridge Water District to Increase Certain Non-Recurring Charges* (Ky. PSC Mar. 7, 2008).

charge of \$306 for the cost of the new meter. Rattlesnake Ridge District will assess the charge to reconnect a service which has been terminated for nonpayment of bills or violation of the utility's rules or Commission administrative regulations, where the existing meter is not the type of meter that is compatible to the existing radio reading system.

In Case No. 2022-00426,⁸ Rattlesnake Ridge District was granted a Certificate of Public Convenience and Necessity to replace 4,000 customer meters with new radio read meters along with one other project as part of a wholistic system improvement plan. In addition, and as a condition to financing with Rural Development (RD), the Commission ordered Rattlesnake Ridge District to increase its rates approximately six percent. Although the rate increase was required as a conditioning of RD financing, the increase was to assist Rattlesnake Ridge District in maintaining adequate financial resources.

The Commission initiates this investigation into the reasonableness of the proposed charge. The Commission, having reviewed the proposed charge as well as the case records mentioned above, finds that the proposed charge is not reasonable and should not be approved as discussed below. As noted above, the replacement of customer meters with new radio read meters and revised rates were approved by the Commission in Case No. 2022-00426. As noted above, the approved project consisted of replacing 4,000 of the 4,089 meters currently in use in the district. Therefore, the cost of the new meters should already be included in customer rates. Recovering the cost of the new meters through the proposed charge would result in double-recovery.

⁸ Case No. 2022-00426, *Electronic Application of Rattlesnake Ridge Water District for a Certificate of Convenience and Necessity to Construct a System Improvements Project and an Order Approving a Change in Rates and Authorizing the Issuance of Securities Pursuant to KRS 278.023* (Ky. PSC Feb. 17, 2023).

Even if the cost of the new meters was not included in Rattlesnake Ridge District's rates, only charging those customers who are reconnected after being disconnected for non-payment, for violation of Rattlesnake Ridge District's rules, or for violation of Commission administrative regulations, would be discriminatory as other customers would not have to pay for the new meters. Rattlesnake Ridge District did not provide support for the exclusive nature of this charge.


IT IS THEREFORE ORDERED that:

1. The Commission initiates this proceeding to investigate Rattlesnake Ridge District's proposed reconnect with new meter charge.
2. Rattlesnake Ridge District's proposed reconnect with new meter charge is denied.
3. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner



ATTEST:


Executive Director

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