

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GARRISON-)	
QUINCY-KY-O-HEIGHTS WATER DISTRICT FOR)	
AN ALTERNATIVE RATE FILING PURSUANT TO)	CASE NO.
807 KAR 5:076)	2023-00408

ORDER

This matter arises upon Garrison-Quincy-Ky-O-Heights Water District’s (Garrison-Quincy-Ky-O-Heights District) acceptance of Commission Staff’s recommendation regarding the amount of a rate increase that, by accepting Commission Staff’s recommendation, amended Garrison-Quincy-Ky-O-Heights District’s application to request higher rates than initially requested. Garrison-Quincy-Ky-O-Heights District requested an increase in its revenue requirement of \$141,239, or 31.59 percent, over test-year normalized revenues.¹ When Commission Staff performed its limited financial review of test-year operations, Commission Staff determined Garrison-Quincy-Ky-O-Heights District would require an increase of \$186,259 or 41.66 percent.²

Excluding the water loss surcharge, the proposed rates will increase a typical residential customer’s monthly water bill, using 3,000 gallons, from \$32.20 to \$45.63, an increase of \$13.43, or approximately 41.70 percent.³ Although Commission Staff did not

¹ Application, Schedule of Adjusted Operations Table, Water Division at 11. Commission Staff corrected table for rounding and to extend percentage increase to two decimals.

² Commission Staff’s Report at 5.

³ Commission Staff’s Report at 6.

recommend a change to the surcharge, including the water loss surcharge, the proposed rates will increase a typical residential customer's monthly water bill, using 3,000 gallons, from \$32.20 to \$47.36, an increase of \$15.16, or approximately 47.08 percent.

On May 8, 2024, Garrison-Quincy-Ky-O-Heights District filed with the Commission its comments⁴ in response to the Commission Staff's April 30, 2024 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.

⁴ Response to Staff Report (filed May 8, 2024).

DISCUSSION AND FINDINGS

As an initial matter, when Garrison-Quincy-Ky-O-Heights District accepted Commission Staff's proposed increase of \$186,259, Garrison-Quincy-Ky-O-Heights District accepted rates that produced a total increase that exceeds the revenue initially proposed by \$45,020 or is 31.88 percent of the original proposed rates, as shown in the following table:

<u>Description</u>	<u>Amount</u>
Commission Staff Proposed Required Revenue Increase	\$186,259
Less: Requested Revenue Required from Water Rates ()	(141,239)
Required Revenue Increase	<u>\$ 45,020</u>
Percentage Increase	<u>31.88%</u>

Furthermore, by accepting the recommendations contained within the Commission Staff's Report, Garrison-Quincy-Ky-O-Heights District accepted additional rates or charges not proposed in its application.

Because Garrison-Quincy-Ky-O-Heights District accepted rates that exceeded the regulatory threshold for renote, and because Commission Staff recommended an additional rate or charge not proposed in Garrison-Quincy-Ky-O-Heights District's application, the Commission finds that Garrison-Quincy-Ky-O-Heights District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of service of this Order, Garrison-Quincy-Ky-O-Heights 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. Garrison-Quincy-Ky-O Heights District should file proof of such notice in this matter within 30 days of publication.

IT IS THEREFORE ORDERED that:

1. Garrison-Quincy-Ky-O-Heights District's amended application is accepted as filed as of May 8, 2024.

2. Garrison-Quincy-Ky-O-Heights 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, Garrison-Quincy-Ky-O-Heights 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. Garrison-Quincy-Ky-O-Heights 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.

PUBLIC SERVICE COMMISSION

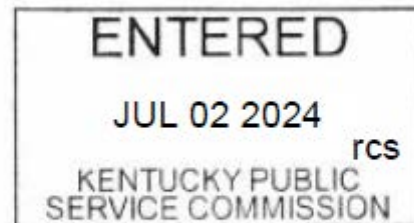
Chairman



Vice Chairman

Mary Pat Regan

Commissioner



ATTEST:

Linda C. Bidwell

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00408 DATED JUL 02 2024

On December 19, 2023, the Kentucky Public Service Commission (PSC) accepted for filing Garrison-Quincy-Ky-O-Heights Water District’s (Garrison-Quincy-Ky-O-Heights District) application requesting to increase its revenue from water sales by \$141,239, an approximate increase of 31.59 percent. On April 30, 2024, Commission Staff determined Garrison-Quincy-Ky-O-Heights District would require an increase of \$186,259 or 41.66 percent in revenue from water sales.

Not including the water loss surcharge, the proposed rates will increase a typical residential customer’s monthly water bill, using 3,000 gallons, from \$32.20 to \$45.63, an increase of \$13.43, or approximately 41.70 percent. Although the Commission Staff did not recommend a change to the surcharge, the increase with the \$1.73 water loss surcharge will result in the average customer using 3,000 gallons increasing from \$32.20 to \$47.36, an increase of \$15.16, or approximately 47.08 percent.

Garrison-Quincy-Ky-O-Heights District requests the PSC approve its recommended revenue requirements and that Garrison-Quincy-Ky-O-Heights District be allowed to implement the revised rates as follows:

Monthly Retail Rates

Meter Size		Current	Proposed		% Increase
<u>5/8- x 3/4-Inch</u>					
First	2,000 Gallons	\$23.12	\$32.76	Minimum Bill	41.70%
Next	3,000 Gallons	0.00908	0.01286	Per Gallon	41.63%
Next	5,000 Gallons	0.00759	0.01075	Per Gallon	41.63%
Over	10,000 Gallons	0.00600	0.00850	Per Gallon	41.67%
<u>1-Inch</u>					
First	10,000 Gallons	\$88.33	\$125.14	Minimum Bill	41.67%
Over	10,000 Gallons	0.00600	0.00850	Per Gallon	41.67%
<u>2-Inch</u>					
First	50,000 Gallons	\$328.31	\$465.12	Minimum Bill	41.67%
Over	50,000 Gallons	0.00600	0.00850	Per Gallon	41.67%
<u>Wholesale – City of South Shore</u>					
First	1,000,000 Gallons	\$2000.00	\$2,833.40	Minimum Bill	41.67%
Next	2,000,000 Gallons	0.00200	0.00283	Per Gallon	41.50%
Over	3,000,000 Gallons	0.00220	0.00312	Per Gallon	41.82%
<u>Bulk Water</u>					
	All Purchases	\$0.00989	\$0.01387	Per Gallon	40.24%
<u>Monthly Water Loss Reduction Surcharge</u>			\$1.73	Per Meter	

<u>Tap-On Fee (Water)</u>	
5/8-Inch x 3/4-Inch Meter	\$1,420.00

<u>Tap-On Fee (Sewer)</u>	
5/8-Inch x 3/4-Inch Meter	\$4,688.00

Nonrecurring Charges (Water)

Meter Test Charge	\$45.00
Field Collection Charge	\$12.00
Connection Charge	\$12.00
Connection Charge (After Hours)	\$48.00
Reconnection Charge	\$24.00
Reconnection Charge (After Hours)	\$60.00
Seasonal Reconnection Charge	\$12.00
Service Call	\$12.00
Service Call (After Hours)	\$58.00
Returned Check Charge	\$15.00

Nonrecurring Charges (Sewer)

Connection Charge	\$8.00
Connection Charge (After Hours)	\$44.00
Field Collection Charge	\$6.00
Reconnection Charge	\$11.00
Reconnection Charge (After Hours)	\$44.00
Returned Check Charge	\$15.00
Service Call	\$8.00
Service Call (After Hours)	\$44.00

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 3,000 gallons a month from \$32.20 to \$45.63, an increase of \$13.43, or approximately 41.70 percent. This filing may be examined at the offices of Garrison-Quincy-Ky-O-Heights District located at 279 Robins Lane P.O. Box 279 Garrison, Kentucky 41141; telephone (606) 757-4898.

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:

https://psc.ky.gov/pscscf/2023%20Cases/2023-00408//20240430_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. 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.

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

*Robert K. Miller
Straightline Kentucky LLC
113 North Birchwood Ave.
Louisville, KENTUCKY 40206

*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