

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF	)	
CANNONSBURG WATER DISTRICT FOR A	)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR	)	2024-00155
5:076	)	

ORDER

This matter arises upon Cannonsburg Water District’s (Cannonsburg District) acceptance of Commission Staff’s recommendation regarding the amount of a rate increase, thus amending Cannonsburg District’s application, to request higher rates than initially requested. Cannonsburg District requested an increase in its revenue requirement of \$397,646, or 15.88 percent, over test-year normalized revenues. When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Cannonsburg District would require an increase of \$484,805 or 19.37 percent. On October 30, 2024, Cannonsburg District filed with the Commission its comments in response to Commission Staff’s October 17, 2024 report (Commission Staff’s Report) in which it accepted the amount of the revenue increase, the allocation to the rate classes, and the design of the proposed rates set forth in 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, on October 30, 2024, when Cannonsburg District accepted Commission Staff's proposed increase of \$484,805 it accepted rates that produced a total increase that exceeds its initial proposal by \$87,341. Commission Staff's recommended increase is 121.97 percent of the original proposed rates.<sup>1</sup> Consistent with 807 KAR 5:076, Section 11(3)(f), Cannonsburg District amended its application when it accepted the revenue increase proposed by Commission Staff that exceeded the 110 percent threshold. Moreover, Cannonsburg District's amended application does not relate back to the original application, thus it shall not place the proposed rates into effect until the Commission issues an Order approving the rates or April 30, 2025, which is six months from the date the application was amended, whichever comes first.

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<sup>1</sup> \$484,805 / \$397,464 = 121.97%

Finally, Cannonsburg District's amended rates exceed the regulatory threshold for renotice, the Commission finds that Cannonsburg District should provide notice of the amended proposed rate increase to its customers. Within 14 days of the date of service of this Order, Cannonsburg District should notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the amended rate increase in a newspaper of general circulation in its territory or placing an insert in bills rendered to its customers. The customer notice should contain the information set forth in the Appendix to this Order.

IT IS THEREFORE ORDERED that:

1. Cannonsburg District's amended application is accepted as filed as of October 30, 2024.
2. Cannonsburg 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, Cannonsburg District shall notify its customers of the implementation of the rates calculated in the Commission Staff's Report by publishing notice of the amended rate 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. Cannonsburg 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

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2024-00155 DATED DEC 4 2024

On May 22, 2024, the Kentucky Public Service Commission (PSC) accepted for filing Cannonsburg Water District's (Cannonsburg District) application requesting to increase its revenue from water sales by \$397,464, an approximate increase of 15.88 percent. On October 17, 2024, Commission Staff determined Cannonsburg District would require an increase of \$484,805 or 19.37 percent in revenue from water sales. Cannonsburg District requests the PSC approve its recommended revenue requirements and that Cannonsburg District be allowed to implement the revised rates as follows:

<b>Meter Size</b>	<b>Current</b>	<b>Proposed</b>	<b>% Increase</b>
<u>5/8- x 3/4-Inch</u>			
First 2,000 Gallons	\$ 25.33	\$ 30.24	Minimum Bill 19.38%
Next 3,000 Gallons	0.00954	0.011388	Per Gallon 19.37%
Next 15,000 Gallons	0.00877	0.010469	Per Gallon 19.37%
Next 30,000 Gallons	0.00809	0.009657	Per Gallon 19.37%
Next 50,000 Gallons	0.00772	0.009215	Per Gallon 19.37%
Over 100,000 Gallons	0.00677	0.008081	Per Gallon 19.36%
<u>1-Inch</u>			
First 5,000 Gallons	\$ 53.96	\$ 64.41	Minimum Bill 19.37%
Next 15,000 Gallons	0.00877	0.010469	Per Gallon 19.37%
Next 30,000 Gallons	0.00809	0.009657	Per Gallon 19.37%
Next 50,000 Gallons	0.00772	0.009215	Per Gallon 19.37%
Over 100,000 Gallons	0.00677	0.008081	Per Gallon 19.36%
<u>2-Inch</u>			
First 20,000 Gallons	\$ 185.42	\$ 221.34	Minimum Bill 19.37%
Next 30,000 Gallons	0.00809	0.00966	Per Gallon 19.41%
Next 50,000 Gallons	0.00772	0.00922	Per Gallon 19.43%
Over 100,000 Gallons	0.00677	0.00808	Per Gallon 19.35%
<u>3-Inch</u>			
First 20,000 Gallons	\$ 185.42	\$ 221.34	Minimum Bill 19.37%
Next 30,000 Gallons	0.00809	0.00966	Per Gallon 19.41%
Next 50,000 Gallons	0.00772	0.00922	Per Gallon 19.43%
Over 100,000 Gallons	0.00677	0.00808	Per Gallon 19.35%
<u>6-Inch</u>			
First 50,000 Gallons	\$ 428.03	\$ 510.94	Minimum Bill 19.37%
Next 50,000 Gallons	0.00772	0.00922	Per Gallon 19.43%
Over 100,000 Gallons	0.00677	0.00808	Per Gallon 19.35%
<u>12-Inch</u>			
First 100,000 Gallons	\$ 814.17	\$ 971.87	Minimum Bill 19.37%
Over 100,000 Gallons	0.00677	0.00808	Per Gallon 19.35%

Wholesale Rates

Over	100,000	\$0.00460	\$ 0.00549	Per Gallon	19.35%
<u>Leak Adjustment Rate</u>		\$0.00456	\$ 0.00544	Per Gallon	19.30%

Nonrecurring Charges

Connection/Turn on	\$	4.00
Connection/ Turn on After Hours	\$	143.00
Meter Reread Charge	\$	4.00
Re-Connection Charge	\$	4.00
Re-Connection Charge After Hours	\$	143.00
Service Call/ Investigation Charge	\$	4.00
Service Call/ Investigation Charge After Hours	\$	143.00
Damage to Lid or Meter Equipment		Actual Cost
Return Check Charge	\$	12.00
Meter Relocation Charge		Actual Cost
Meter Test Charge	\$	4.00

Tap-On Fee

5/8-Inch x 3/4-Inch Meter	\$	1,646.00
1 Inch Meter	\$	2,000.00

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 3,382 gallons a month from \$38.51 to \$45.97, an increase of \$7.46, or approximately 19.37 percent. This filing may be examined at the offices of Cannonsburg Water District located at 1606 Cannonsburg Road Ashland, KY 41102, Kentucky; telephone (606) 928-9808.

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/2024%20Cases/2024-00155//20241017\\_STAFF\\_REPORT.pdf](https://psc.ky.gov/pscscf/2024%20Cases/2024-00155//20241017_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 requests 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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