

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER	)	CASE NO.
ADJUSTMENT FILING OF WESTERN	)	2024-00195
ROCKCASTLE WATER ASSOCIATION, INC.	)	

ORDER

On June 17, 2024, Western Rockcastle Water Association, Inc. (Western Rockcastle Water) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure set forth in KRS 278.012 and 807 KAR 5:068.

LEGAL STANDARD

In accordance with KRS 278.012, when a wholesale supplier selling water to a water association increases its rates, the water association has the authority to increase its rate commensurate with the wholesale supplier. The water association must file, within the statutory and regulatory deadlines, a copy of the notice from the wholesale supplier showing the increase in the wholesale rate, and a statement of the volume of purchased water used to calculate the rate adjustment. The Commission shall approve the filing by Order so long as the filing complies with 807 KAR 5:068 and KRS 278.012.

DISCUSSION AND FINDINGS

The Commission, on its own motion, finds that this matter should be dismissed because, as discussed below, the wholesale rate increase proposed by city of Mount Vernon (Mt. Vernon) will not go into effect on the proposed effective date.

As directed in KRS 278.012 and 807 KAR 5:068, the Commission is required to approve or deny the application for purchase water adjustment no later than 30 days after the Commission accepts a utility's application for a rate adjustment based on a supplier's change in rates.<sup>1</sup> On July 12, 2024, the Commission issued an Order<sup>2</sup> suspending Mt. Vernon's June 6, 2024 tariff filing proposing an adjustment to its wholesale water rate, for a suspension period of up to five months from July 16, 2024, up to and including December 15, 2024. The issue of adjusting the rates of Western Rockcastle Water is moot during the pendency of Case No. 2024-00217,<sup>3</sup> because the wholesale water rate at issue in Western Rockcastle Water's application will remain the same while Mt. Vernon's tariff is suspended. The suspension period is longer than the 30 days allowed for Commissioner approval of a purchased water adjustment.

Western Rockcastle Water's rates should remain the same as those currently in effect under the authority of the Commission.

IT IS THEREFORE ORDERED that:

1. Western Rockcastle Water's application for approval to adjust its rates pursuant to the purchased water adjustment procedure is dismissed without prejudice.
2. Western Rockcastle Water's rates shall remain the same as those currently under effect under the authority of the Commission.

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<sup>1</sup> KRS 278.012; 807 KAR 5:068.

<sup>2</sup> Case No. 2024-00217, *Electronic Tariff Filing of the City of Mt. Vernon to Increase its Wholesale Water Rates to Western Rockcastle Water Association, Inc. and Kentucky-American Water Company* (Ky. PSC July 12, 2024).

<sup>3</sup> Case No. 2024-00217, *Electronic Tariff Filing of the City of Mt. Vernon to Increase its Wholesale Water Rates to Western Rockcastle Water Association, Inc. and Kentucky-American Water Company* (Ky. PSC July 12, 2024).

3. This case is closed and removed from the Commission's docket.

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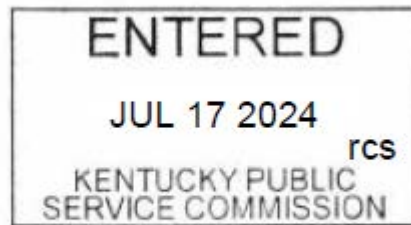
PUBLIC SERVICE COMMISSION

\_\_\_\_\_  
Chairman



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Vice Chairman

  
Commissioner



ATTEST:

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

\*Deron S Byrne, P.E.  
Monarch Engineering, Inc.  
556 Carlton Drive  
Lawrenceburg, KENTUCKY 40342

\*Western Rockcastle Water Association, Inc.  
371 New Brodhead Road  
P. O. Box 627  
Mt. Vernon, KY 40456