

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DEXTER-ALMO)	CASE NO.
HEIGHTS WATER DISTRICT FOR A RATE)	2024-00273
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

This matter arises upon Dexter-Almo Heights Water District (Dexter-Almo Heights District) acceptance of Commission Staff's recommendation increasing the amount of its initially proposed rate increase, thus amending Dexter-Almo Heights District's application to request higher rates.¹ Dexter-Almo Heights District initially requested an increase in its revenue requirement of \$74,136, or 18.13 percent, over test-year normalized revenues.² Due to a math error identified when calculating the revenue requirement, Commission Staff determined the requested increase should have been \$71,040, or 17.37 percent.³ Thereafter, when Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Dexter-Almo Heights District would require an increase of \$114,009 or 28.83 percent.⁴ On June 18, 2025, Dexter-Almo Heights District filed with the Commission its comments in response to Commission Staff's May 20, 2025 report (Commission Staff's Report) that accepted the recommended

¹ Dexter-Almo Heights District's Response to Commission Staff's Report (filed June 18, 2025).

² Application, ARF Revenue Requirements Attachment.

³ Commission Staff's Report (issued May 20, 2025) at 3.

⁴ Commission Staff's Report at 5.

\$114,009 or 28.83 percent 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.

DISCUSSION AND FINDINGS

As an initial matter, when Dexter-Almo Heights District accepted Commission Staff's proposed increase of \$114,009, Dexter-Almo Heights District accepted rates that produced a total increase that exceeds the corrected revenue initially proposed by \$42,969 or is 160.49 percent of the original proposed rates.⁵ Consistent with 807 KAR 5:076, Section 11(3)(f), because Dexter-Almo Heights District amended its application on

⁵ \$114,009 / \$71,040 = 160.4856 %.

June 18, 2025, when it accepted the revenue increase proposed by Commission Staff that exceeded the 110 percent threshold, and because the amended application does not relate back to the original application, Dexter-Almo Heights District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or December 18, 2025, which is six months from the date the application was amended, whichever comes first.

Moreover, because the rates in Dexter-Almo Heights District's amended application exceed the regulatory threshold for renote, the Commission finds that Dexter-Almo Heights District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of service of this Order, Dexter-Almo 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.

IT IS THEREFORE ORDERED that:

1. Dexter-Almo Heights District's amended application is accepted as filed as of June 18, 2025.
2. Dexter-Almo Heights District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or December 18, 2025, six months from the date the application was amended, whichever comes first.
3. Within 14 days of the date of service of this Order, Dexter-Almo 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. Dexter-Almo 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.

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PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



Case No. 2024-00273

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2024-00273 DATED JUL 17 2025

On December 2, 2024, the Kentucky Public Service Commission (PSC) accepted for filing Dexter-Almo Heights Water District's (Dexter-Almo Heights District) application requesting to increase its revenue from water sales by \$71,040, an approximate increase of 17.37 percent. On May 20, 2025, Commission Staff determined Dexter-Almo Heights District would require an increase of \$114,009 or 28.83 percent in revenue from water sales. Dexter-Almo Heights District requests the PSC approve its recommended revenue requirements and that Dexter-Almo Heights District be allowed to implement the revised rates as follows:

Meter Size		Current	Proposed		% Increase
<u>5/8- x 3/4-Inch</u>					
First	2,000 Gallons	\$ 20.56	\$ 26.49	Minimum Bill	28.84%
Next	3,000 Gallons	0.00811	0.01045	Per Gallon	28.85%
Next	5,000 Gallons	0.00717	0.00924	Per Gallon	28.87%
Next	10,000 Gallons	0.00677	0.00872	Per Gallon	28.80%
Over	20,000 Gallons	0.00544	0.00701	Per Gallon	28.86%

Nonrecurring Charges	
<u>Charge</u>	<u>Amount</u>
Reconnection Charge	\$ 7.00
Reconnection Charge After Hours	\$ 37.00
Returned Check Charge	\$ 25.00
Meter Re-Read Charge	\$ 7.00
Meter Test Charge	\$ 54.00
Service Call	\$ 7.00
Service Call After Hours	\$ 37.00

<u>Meter Connection/Tap-On Charges</u>	
5/8 Inch X 3/4 Inch	\$ 1,925.00

The proposed rates shall not become effective until the Public Service Commission has issued an Order approving these rates or December 18, 2025, six months from the date the application was amended, whichever comes first. The rates will increase the monthly bill of a typical residential customer using 3,790 gallons a month from \$35.08 to \$45.19, an increase of \$10.11, or approximately 28.82 percent. This filing may be examined at the offices of Dexter-Almo Heights District located at 351 Almo Road, Almo, Kentucky 42020; telephone (270) 753-9101.

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/2024%20cases/2024-00273//20250520_2024-00273%20Dexter-Almo%20Heights%20Water%20District%20Staff%20Report.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

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