

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ELKHORN)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT)	2024-00331
PURSUANT TO 807 KAR 5:076)	

ORDER

This matter arises upon Elkhorn Water District (Elkhorn District) acceptance of Commission Staff’s recommendation regarding the necessary increase in rates, thus amending Elkhorn District’s application to request higher rates than initially requested. Elkhorn District requested an increase in its revenue requirement of \$22,830, or 5.58 percent, over test-year normalized revenues.¹ When Commission Staff performed the limited financial review of test-year operations, Commission Staff determined Elkhorn District would require an increase of \$26,954 or 6.59 percent.² On March 26, 2025, Elkhorn District filed with the Commission its comments in response to Commission Staff’s March 18, 2025 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.³

LEGAL STANDARD

Commission regulation 807 KAR 5:076, Section 11(3)(f), states:

¹ Application (tendered Oct. 15, 2024), Attachment #4, Revenue Requirements Chart.

² Commission Staff’s Report (issued Mar. 18, 2025) at 5.

³ Elkhorn District’s Response to Commission Staff’s Report (filed Mar. 26, 2025).

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 applicant 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 Elkhorn District accepted Commission Staff's proposed increase of \$26,954, it accepted rates that produced a total increase exceeding the revenue initially proposed of \$22,830, 118.06 percent of the original proposed rates.⁴ Consistent with 807 KAR 5:076, Section 11(3)(f), because Elkhorn District amended its application on March 26, 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, Elkhorn 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.

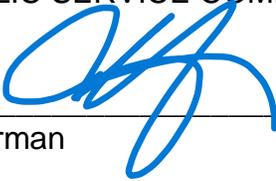
⁴ \$26,954 / \$22,830 = 118.06 %

Because Elkhorn District accepted rates that exceed the regulatory threshold for renote, the Commission finds that Elkhorn District should provide notice of the proposed rate increase to its customers. Within 14 days of the date of service of this Order, Elkhorn District should 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 should contain the information set forth in the Appendix to this Order.

IT IS THEREFORE ORDERED that:

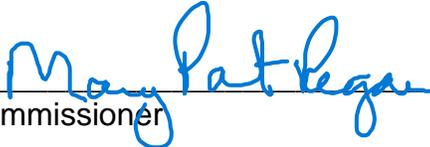
1. Elkhorn District's amended application is accepted as filed as of March 26, 2025.
2. Elkhorn District shall not place the proposed rates into effect until the Commission issues an Order approving the rates or six months from the date the application was amended, whichever comes first.
3. Within 14 days of the date of service of this Order, Elkhorn 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. Elkhorn 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 request for 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



Commissioner

ATTEST:



Executive Director

ENTERED
APR 10 2025 AH
KENTUCKY PUBLIC
SERVICE COMMISSION

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00331 DATED APR 10 2025

On October 21, 2024, the Kentucky Public Service Commission (PSC) accepted for filing Elkhorn Water District's (Elkhorn District) application requesting to increase its revenue from water sales by \$22,830, an approximate increase of 5.58 percent. On March 18, 2025, Commission Staff determined Elkhorn District would require an increase of \$26,954 or 6.59 percent in revenue from water sales. Elkhorn District requests the PSC approve its recommended revenue requirement and that Elkhorn 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	\$20.76	\$22.13	Minimum Bill	6.60%
Next	3,000 Gallons	0.00823	0.00877	Per Gallon	6.56%
Next	5,000 Gallons	0.00747	0.00796	Per Gallon	6.56%
Over	10,000 Gallons	0.00587	0.00627	Per Gallon	6.81%
 <u>1-Inch</u>					
First	5,000 Gallons	\$45.50	\$48.50	Minimum Bill	6.59%
Next	5,000 Gallons	0.00747	0.00796	Per Gallon	6.56%
Over	10,000 Gallons	0.00587	0.00627	Per Gallon	6.81%
 <u>1 1/2-Inch</u>					
First	10,000 Gallons	\$82.91	\$88.37	Minimum Bill	6.59%
Over	10,000 Gallons	0.00587	0.00627	Per Gallon	6.81%
 <u>Elkhorn MHP #1 (formerly Southcreek MHP)</u>					
First	15,000 Gallons	\$155.72	\$165.98	Minimum Bill	6.59%
Over	15,000 Gallons	0.00587	0.00627	Per Gallon	6.81%
 <u>Elkhorn Mobile Home Park</u>					
First	76,000 Gallons	\$789.04	\$841.04	Minimum Bill	6.59%
Over	76,000 Gallons	0.00587	0.00627	Per Gallon	6.81%
 <u>Capital Mobile Home Park</u>					
First	125,000 Gallons	\$1,297.76	\$1,383.28	Minimum Bill	6.59%
Over	125,000 Gallons	0.00587	0.00627	Per Gallon	6.81%
<u>Emergency Wholesale Rate</u>		0.00587	\$0.00627	Per Gallon	6.81%

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 5/8 x 3/4 inch customer using 6,680 gallons a month from \$58.00 to \$61.82, an increase of \$3.82, or approximately 6.59 percent. This filing may be examined at the offices of Elkhorn District located at 7165 US 127 North; P. O. Box 67, Frankfort, KY 40601 telephone (502) 695-4431.

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/2024-00331//20250318_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 40601. 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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