

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WATER	)	
SERVICE CORPORATION OF KENTUCKY FOR	)	
A GENERAL ADJUSTMENT IN EXISTING RATES	)	CASE NO.
AND A CERTIFICATE OF PUBLIC	)	2022-00147
CONVENIENCE AND NECESSITY TO DEPLOY	)	
ADVANCED METERING INFRASTRUCTURE	)	

ORDER

On April 14, 2023, Water Service Corporation of Kentucky (Water Service Kentucky) filed a motion to correct the April 12, 2023 Order that, among other things, approved a rate increase. Water Service Kentucky requested an expedited review because bills issued later in April will reflect rates effective as of the April 12, 2023 Order. The Commission will treat the motion as a motion for rehearing pursuant to KRS 278.400.

LEGAL STANDARD

KRS 278.400, which establishes the standard of review for motions for rehearing, limits any new evidence on rehearing to evidence not readily discoverable at the time of the original hearings, to correct any material errors or omissions, or to correct findings that are unreasonable or unlawful. A Commission Order is deemed unreasonable only when “the evidence presented leaves no room for difference of opinion among reasonable

minds.”<sup>1</sup> An Order can only be unlawful if it violates a state or federal statute or constitutional provision.<sup>2</sup>

By limiting rehearing to correct material errors or omissions, and findings that are unreasonable or unlawful, or to weigh new evidence not readily discoverable at the time of the original hearings, KRS 278.400 is intended to provide closure to Commission proceedings. Rehearing does not present parties with the opportunity to relitigate a matter fully addressed in the original Order.

### MOTION TO CORRECT ORDER

Water Service Kentucky alleged that the April 12, 2023 Order contains a material error because the rates identified in the Appendix to that Order do not accurately reflect the authorized revenue requirement increase contained in the body of the Order. Water Service Kentucky explained that, in the body of the Order, the Commission authorized a \$616,566, or 18.90 percent, revenue increase that was allocated evenly across the customer classifications. Water Service Kentucky asserted that, when the utility’s billing determinants filed in this case are applied, the rates identified in the Appendix to the April 12, 2023 Order produce a revenue increase of \$520,598, which is lower than the \$616,566 revenue increase approved by the Commission. Water Service Kentucky provided a table of the rates that would result from an 18.90 percent increase, as referenced in the April 12, 2023 Order.

---

<sup>1</sup> *Energy Regulatory Comm’n v. Kentucky Power Co.*, 605 S.W.2d 46 (Ky. App. 1980).

<sup>2</sup> *Public Service Comm’n v. Conway*, 324 S.W.3d 373, 377 (Ky. 2010); *Public Service Comm’n v. Jackson County Rural Elec. Coop. Corp.*, 50 S.W.3d 764, 766 (Ky. App. 2000); *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503, 509 (Ky. App. 1990).

## DISCUSSION AND FINDINGS

Based upon the motion, April 12, 2023 Order, and being otherwise sufficiently advised, the Commission finds that Water Service Kentucky's motion for rehearing should be granted. This is because the Commission concludes that the Appendix to the April 12, 2023 Order contained rates that did not reflect the approved 18.90 percent revenue increase, and thus the April 12, 2023 Appendix contained a material error. The rates contained in the April 12, 2013 Appendix were based upon a revenue increase of 15.96 percent instead of the correct 18.90 percent revenue increase. These rates would only result in a revenue increase of \$520,598 instead of the calculated increase of \$616,566. The corrected rates in the Appendix to this Order will increase the average bill of a residential customer using 3,438 gallons per month from \$33.09 to \$39.35, an increase of \$6.26, or approximately 18.92 percent.

An Appendix with the correct rates is attached to this Order. These rates are effective as of the date of entry of the April 12, 2023 Order.

IT IS THEREFORE ORDERED that:

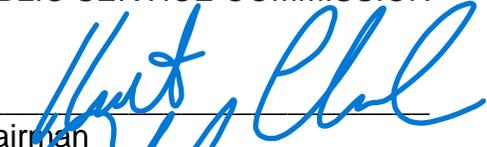
1. Water Service Kentucky's motion for rehearing is granted.
2. The Appendix to the April 12, 2023 Order is stricken and replaced with the Appendix attached to this Order.
3. The rates contained in the Appendix to this Order are approved for service rendered on and after April 12, 2023.
4. Within 20 days of service of this Order, Water Service Kentucky shall file with the Commission, using the Commission's Electronic Tariff Filing System, new tariff

sheets setting forth the rates and charges and the revisions approved herein and reflecting their respective effective dates and that they were authorized by this Order.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_

Chairman

  
\_\_\_\_\_

Vice Chairman

  
\_\_\_\_\_

Commissioner

ENTERED  
APR 26 2023 bsb  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
\_\_\_\_\_

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2022-00147 DATED APR 26 2023

Service Charge Rates  
For All Service Areas

Meter Size

5/8-Inch	\$ 15.78	per month
3/4-Inch	15.78	per month
1-Inch	39.45	per month
1 1/2-Inch	78.89	per month
2-Inch	126.22	per month
3-Inch	236.66	per month
4-Inch	394.44	per month
6-Inch	788.87	per month

Volumetric Rates

First 100,000 Gallons	\$ 0.006855	per gallon
Over 100,000 Gallons	\$ 0.004730	per gallon

Monthly Fire Protection Charges  
For All Service Areas

Fire Protection Charges

Municipally Owned Hydrants	\$ 10.20	per hydrant
Private Hydrants or Sprinkler Systems	46.16	per hydrant or sprinkler
Ambleside Private Fire Surcharge*	4.59	per customer

\*Surcharge is only applicable to those customers residing in the Ambleside subdivision in Middlesboro, Kentucky.

\*Angela M Goad  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Rebecca C. Price  
Sturgill, Turner, Barker & Moloney  
155 East Main Street  
Lexington, KENTUCKY 40507

\*Water Service Corporation of Kentucky  
c/o Water Service Corp  
500 West Monroe Street, Suite 3600  
Chicago, IL 60661-3779

\*M. Todd Osterloh  
Sturgill, Turner, Barker & Moloney, PLLC  
333 West Vine Street  
Suite 1400  
Lexington, KENTUCKY 40507

\*James W Gardner  
Sturgill, Turner, Barker & Moloney, PLLC  
333 West Vine Street  
Suite 1400  
Lexington, KENTUCKY 40507

\*John Horne  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Larry Cook  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Mary B Potter  
Clinton City Attorney  
209 N. Jefferson St.  
Clinton, 42031

\*J. Michael West  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204