

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
8/24/2023

Entered: August 4, 2023

CASE NO. 23-0254-PWD-19A

CLAY-ROANE PUBLIC SERVICE DISTRICT,
Rule 19-A Application to change rates
and charges.

RECOMMENDED DECISION

This Decision approves the Staff-recommended water rates and charges for use by Clay-Roane Public Service District, requires the District to comply with the directives set forth by the Commission in General Order No. 183.11, and provides for a reporting requirement.

PROCEDURAL HISTORY

On February 24, 2023, Clay-Roane Public Service District (District) filed an Application, pursuant to Rule 8.2 (Historical Rule 19-A) of the Commission Rules for the Construction and Filing of Tariffs (Tariff Rules), to change its water rates and charges.

Also on February 24, 2023, a Commission Order was entered that referred this matter to the Division of Administrative Law Judges for a decision to be rendered on or before October 23, 2023.

On June 5, 2023, Commission Staff filed a Final Joint Staff Memorandum and Staff Report. Staff recommended rates that would generate a revenue increase of \$127,621 annually over current rates, which is an 18.98% increase. The rates would provide an annual surplus of \$18,161, provide a debt service coverage of 199.12%, and meet the CWCR requirement set forth in W. Va. Code § 24-1-1(k) and General Order No. 183.11. Staff recommended a final CWCR increment percentage for use by the District of 9.24%, and decreased the District's leak adjustment rate from \$4.00 to \$3.13 per thousand gallons. Staff also noted the District has not been complying with the requirements of General Order No. 183.11.

KAC

On June 13, 2023, a Procedural Order was issued affording the District the opportunity to respond or object to Staff's recommendations. The District responded in agreement with Staff's recommendations.

On June 22, 2023, a Procedural Order was issued requiring the District to provide notice of the Staff-recommended rates.

On July 18, 2023, the District filed an Affidavit of Publication and a completed Tariff Form No. 6-B evidencing that it provided notice to its customers. Six protests were received in the matter.

DISCUSSION

The Staff-recommended rates and charges should be approved since they are sufficient, but not more than sufficient, to cover the District's operation and maintenance expenses, debt service requirements, annual additions and provide funding for the CWCR requirement. The District should be required to comply with the directives set forth in General Order No. 183.11, and provide an accounting to the Commission of its CWCR account, as set forth below.

FINDINGS OF FACT

1. Clay-Roane Public Service District filed an Application to change its water rates and charges and further requested interim rates. Application, Feb. 24, 2023.
2. The District serves approximately 855 customers in Clay and Roane Counties, West Virginia. Final Joint Staff Memorandum and Staff Report, June 5, 2023.
3. Staff recommended final rates that will generate a revenue increase of \$127,621 annually over rates in effect prior to the case, which is an 18.98% increase. Id.
4. The final rates will provide an annual surplus of \$18,161, provide a debt service coverage of 199.12%, and meet the CWCR requirement set forth in W. Va. Code § 24-1-1(k) and General Order No. 183.11. Id.
5. The rates will provide a surplus that exceeds the District's five-year average of net plant additions and also provides adequate debt service coverage. Id.
6. Staff decreased the District's leak adjustment rate from \$4.00 to \$3.13 per thousand gallons. Id.

7. Staff recommended a CWCR increment percentage for use by the District of 9.24%. Id.

8. The District has not been complying with the CWCR requirements and General Order No. 183.11. Id.

9. The District provided notice of the Staff-recommended rates to each of its customers and six protests were filed in the matter. Filings, July 18, 2023; Case file, generally.

CONCLUSIONS OF LAW

1. It is appropriate to approve the Staff-recommended water rates and charges because they provide revenue sufficient, but not more than sufficient, to cover the District's operation and maintenance expenses, debt service requirements and average annual additions while also providing funding for the CWCR requirement.

2. It is reasonable to approve the Staff-recommended CWCR increment percentage of 9.24%, and require the District to comply with the directives set forth by the Commission in General Order No. 183.11, including applying the Staff-recommended CWCR increment percentages, depositing the calculated amount into an established segregated account and properly using, accounting and reporting for the same.

3. It is reasonable to require the District to provide an accounting to the Commission of its CWCR account.

ORDER

IT IS THEREFORE ORDERED that the Approved Tariff, attached hereto as Appendix A, is hereby approved for use by Clay-Roane Public Service District for all services rendered on and after the date this Decision becomes a final order of the Commission.

IT IS FURTHER ORDERED that Clay-Roane Public Service District file an original and at least six (6) copies of an appropriate tariff reflecting the final rates and charges approved herein within thirty (30) days of the date this Decision becomes a final order of the Commission.

IT IS FURTHER ORDERED that Clay-Roane Public Service District comply with the directives set forth by the Commission in General Order No. 183.11, including applying the Staff-recommended CWCR increment percentage, depositing the

calculated amount into an established segregated account, proper use of the funds and properly accounting and reporting for the same.

IT IS FURTHER ORDERED that Clay-Roane Public Service District complete monthly CWCR reports using the form attached hereto as Appendix B and file the reports on the 10th day of the first three months after it begins collecting the new rates. After the three monthly filings, the Commission's Utilities Division will instruct the District whether it will continue to make monthly filings or if it may make semi-annual filings.

IT IS FURTHER ORDERED that this matter be removed from the Commission's docket of open cases.

The Executive Secretary is ordered to serve this Order upon the Commission and its Staff by hand delivery, upon all parties of record who have filed an e-service agreement with the Commission by electronic service and upon all other parties by United States First Class Mail.

Leave is granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen days of the date of this Order. If exceptions are filed, the parties filing exceptions shall certify that all parties of record have been served the exceptions.

If no exceptions are filed, this Order shall become the Order of the Commission, without further action or order, five days following the expiration of the fifteen-day time period, unless it is ordered stayed by the Commission.

Any party may request waiver of the right to file exceptions by filing an appropriate petition in writing with the Executive Secretary. No such waiver, however, will be effective until approved by order of the Commission.



K. B. Walker
Administrative Law Judge

KBW:wsl
230254ab

CLAY-ROANE PUBLIC SERVICE DISTRICT
CASE NO. 23-0254-PWD-19A

APPROVED TARIFF

Effective for all service rendered on and after the date the order becomes final

APPLICABILITY

Applicable within the entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and sale for resale water service.

RATES (Customers with metered water supply)*

First	10,000 gallons used per month	\$25.16 per 1,000 gallons
Over	10,000 gallons used per month	\$16.51 per 1,000 gallons

MINIMUM CHARGE*

No bill will be rendered for less than the following amount, according to the meter installed:

5/8	inch meter	\$ 50.32
3/4	inch meter	\$ 75.48
1	inch meter	\$ 125.80
1-1/2	inch meter	\$ 251.60
2	inch meter	\$ 402.56
3	inch meter	\$ 805.12
4	inch meter	\$1,258.00
6	inch meter	\$2,516.00
8	inch meter	\$4,025.60

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full when due, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION - \$20.00

To be charged whenever the supply of water is turned off for violations of rules, nonpayment of bills or fraudulent use of water.

TAP FEE

The following charge is to be made whenever the utility installs a new tap to serve an applicant.

A tap fee of \$350.00 will be charged to customers applying for service outside of a certificate proceeding before the commission for each new tap to the system.

LEAK ADJUSTMENT

\$3.13 per 1,000 gallons is to be used when a bill reflects unusual consumption which can be attributed to eligible leakage on the customer's side of the meter. This rate shall be applied to all such consumption above 200% of the customer's historical average usage.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the District, not to exceed \$25.00, will be imposed upon any customer whose check for payment of charges is returned by the bank due to insufficient funds.

SECURITY DEPOSIT

Not to exceed two-twelfths (2/12) of the average annual usage of the applicant's specific customer class or fifty dollars, whichever is greater. This fee may be changed by applicable statutory provisions.

EFT, CREDIT CARD AND DROP BOX PAYMENTS

A service charge will be imposed on EFT, Credit Card or Drop Box payments. The amount shall be equal to the actual charges to the utility from the financial institution for processing payment. No additional charge or fee shall be collected by the District for accepting these forms of payment.

*9.24% CASH WORKING CAPITAL RESERVE INCREMENT

9.24% of total billings at the indicated rates is required to be recorded as a credit to "Miscellaneous Operating Reserves," with related collections to be charged to "Other Special Funds" and deposited into a distinct CWCR Bank Account.

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA
CASH WORKING CAPITAL RESERVE (CWCR) REPORT
FOR THE MONTH ENDING: _____

CASE NO: _____

NAME OF UTILITY: _____

LAST FOUR (4) DIGITS OF CWCR BANK ACCOUNT NUMBER: _____

1) BEGINNING MONTHLY BALANCE OF CWCR ACCOUNT: \$ _____

2) CUSTOMER COLLECTIONS FOR MONTH: \$ _____

3) REQUIRED CWCR % OF COLLECTIONS, PER PSC ORDER: _____ %

4) DEPOSITIS, FOR MONTH, INTO CWCR ACCOUNT FROM
CUSTOMER COLLECTIONS: \$ _____

5) DISBURSEMENTS, FOR MONTH, FROM CWCR ACCOUNT: \$ _____

6) DESCRIPTION OF EACH DISBURSEMENT FROM CWCR ACCOUNT,
IF APPLICABLE:

7) ENDING BALANCE OF CWCR ACCOUNT: \$ _____

SIGNATURE OF AUTHORIZED REPRESENTATIVE: _____

TITLE OF SIGNER: _____