

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ACCREDITATION AND APPROVAL OF THE PUBLIC)
SERVICE COMMISSION'S SEMINAR ON MUNICIPAL) CASE NO. 2001-095
RATE FILINGS AS A WATER DISTRICT COMMIS-)
SIONER TRAINING PROGRAM)

ORDER

KRS 74.020(7) requires that this Commission “encourage and promote the offering of high quality water district management training programs that enhance a water district commissioner’s understanding of his or her duties.” Pursuant to this statutory mandate and in an effort to provide information to municipal utilities, the Commission on March 28, 2001, conducted a training seminar in Frankfort, Kentucky addressing municipal utility rate adjustment filings. This seminar included instruction regarding, inter alia, trends in applicable law and regulations and utility rate-making.¹ The Commission finds that the course of instruction provided at this seminar enhances a water district commissioner’s understanding of his or her duties and should be approved for 6.0 credit hours of water district management training.

IT IS THEREFORE ORDERED that the Public Service Commission’s Seminar on Municipal Rate Filings, held on March 28, 2001, is approved for a maximum of 6.0 credit hours.

¹ A course syllabus is appended to this Order.

Done at Frankfort, Kentucky, this 12th day of April, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2001-095 DATED APRIL 12, 2001

**SEMINAR ON MUNICIPAL UTILITY RATE FILINGS
MARCH 28, 2001**

- 7:30 - 8:30 Registration and Continental Breakfast**
- 8:30 - 8:35 Welcome and Program Overview**
- 8:35 - 9:35 PSC Regulation of Municipal Utility Rates: A History – Gerald Wuetcher**
A review of the Public Service Commission's jurisdiction over municipal utilities since the Commission's creation in 1934. Special emphasis will be given to the Simpson County Water District v. City of Franklin, Ky. case in which the Kentucky Supreme Court held that the Commission possessed jurisdiction over a municipal utility's provision of utility service to a public utility. The Commission's efforts to implement the Simpson County Water District decision will also be discussed.
- 9:35 - 9:45 Break**
- 9:45 - 10:00 Ratemaking: A Brief Overview – Gerald Wuetcher**
A brief overview of the ratemaking process. This block of instruction provides the framework for the discussion of issues related to determining a municipal utility's revenue requirement and then designing its rates. It provides a brief discussion of the Commission's jurisdiction and operations.
- 10:00 -10:45 Establishing A Wholesale Rate: Revenue Requirement Determination – Karen Harrod/Beverly Davis**
A description of how the PSC establishes a municipal utility's total revenue requirements. Issues to be discussed include allocation of common costs, uniform system of accounts, general ratemaking practices such as pro forma adjustments, rate of return, depreciation practices.
- 10:45 - 11:00 Break**
- 11:00 -12:00 Establishing A Wholesale Rate: Cost of Service Studies and Rate Design – Carryn Lee**
A discussion on the preparation of cost of service studies and design of wholesale rate.
- 12:00 - 1:15 Lunch**
- 1:15 - 2:15 Preparing a Rate Adjustment Application: Practice Points – Damon Talley/Robert Watt/PSC Staff**
An examination of the filing requirements for a municipal utility rate adjustment. Instruction will focus on procedures and the actions that should be taken by the municipal utility prior to making any filing. How a wholesale customer prepares for a pending application is also discussed.
- 2:15 - 2:25 Break**
- 2:25 - 3:10 Practicing Before the PSC – Damon Talley/Robert Watt/Gerald Wuetcher**
A review of the Commission's rules of procedures and a general discussion on how PSC processes a rate case application. Discussion will include hearing room procedures, discovery, post-PSC appellate review, and legal research of PSC Orders and topics.
- 3:10 - 3:20 Break**
- 3:20 - 4:30 Drafting Wholesale Contracts – Gerald Wuetcher/Damon Talley**
A review of the current types of wholesale contracts on file with the PSC and an identification of commonly recurring issues with those contracts. Proposed suggestions for municipal utilities and their wholesale customers to avoid contract disputes.