

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTHEAST)	CASE NO.
DAVIESS COUNTY WATER DISTRICT FOR AN)	2020-00195
ALTERNATIVE RATE ADJUSTMENT)	

ORDER

On June 23, 2020, Southeast Daviess County Water District (Southeast Daviess District) tendered an application with the Commission requesting to adjust its water rates pursuant to 807 KAR 5:076, and it was accepted as filed. To ensure the orderly review of the application, the Commission established a procedural schedule by Order dated July 24, 2020. On October 1, 2020, the Commission, citing the impact of COVID-19, found that additional time would be needed to review Southeast Daviess District's case, amending its July 24, 2020 Order to allow for additional time for Staff to complete its report. Staff issued three rounds of discovery to collect additional information regarding Southeast Daviess District's financial records.

Using its pro forma test-year operations, Southeast Daviess District determined that a revenue increase of \$420,713, or 15.61 percent, over test-year normalized revenues of \$2,695,673 is warranted.¹ The rates requested by Southeast Daviess District would increase the monthly bill of a typical residential customer using 4,000 gallons per month by \$3.11, from \$20.09 to \$23.20, or approximately 15.48 percent.²

¹ Application, Attachment 5.

² *Id.*, Attachment 1.

Staff performed a limited financial review of Southeast Daviess District's operations and, on November 20, 2020, released a report containing Staff's findings (Staff Report). In the Staff Report, Staff found that Southeast Daviess District's adjusted test-year operations support an Overall Revenue Requirement of \$3,236,873 and that an annual revenue increase of \$327,346, or 12.14 percent,³ is necessary to generate the Overall Revenue Requirement.⁴

On December 1, 2020, Southeast Daviess District filed its response to the Staff Report accepting Staff's findings but requesting that several of Staff's adjustments be modified due to further clarification of the district's expenses. With its comments, Southeast Daviess District waived its right to request a hearing.

BACKGROUND

Southeast Daviess District, a water district organized pursuant to KRS Chapter 74, provides water service to approximately 7,603 residential, commercial, irrigation, and resale customers residing in Daviess County, Kentucky.⁵

³ Staff Report at 13.

⁴ Note that the Overall Revenue Requirement stated in the summary of findings of \$301,126 was stated in error. The figure referenced on page 13 of the Staff Report is correct.

⁵ *Annual Report of Southeast Daviess County Water District to the Public Service Commission for the Calendar Year Ended December 31, 2018* at 12 and 49.

TEST PERIOD

The calendar year ended December 31, 2019, was used as the test-year to determine the reasonableness of Southeast Daviess District's existing and proposed water rates as required by 807 KAR 5:076, Section 9.

SUMMARY OF THE STAFF REPORT
REVENUE AND EXPENSES

Based on the Staff Report, Southeast Daviess District's pro forma operational revenue is as follows:⁶

	<u>Test-Year Operations</u>	<u>Staff Report Pro Forma Adjustments</u>	<u>Staff Report Pro Forma Operations</u>
Total Operating Revenues	\$ 2,542,370	\$ 304,386	\$ 2,846,756
Total Operating Expenses	<u>(2,671,184)</u>	<u>(177,265)</u>	<u>(2,848,449)</u>
Net Income	<u>\$ (128,814)</u>	<u>\$ 127,121</u>	<u>\$ (1,693)</u>

REVENUE REQUIREMENT ADJUSTMENTS

Reclassification of Customer Connects/Disconnects. In the Staff Report, Staff recommended the Commission accept Southeast Daviess District's proposed adjustment to reclassify revenues associated with service work performed for customer connections and disconnections that was mistakenly recorded as metered sales revenue. The Commission finds that this adjustment reducing metered water sales by \$18,145 and increasing miscellaneous service revenue by the same amount is reasonable as it more accurately records the revenues collected by Southeast Daviess District.

⁶ See Appendix B for a detailed Pro Forma Income Statement.

Billing Analysis Adjustment. In the Staff Report, Staff recommended the Commission accept Southeast Daviess District's proposal to increase its test-year revenues from water sales of \$2,149,968 by \$275,391 to reflect the current billing analysis provided by the district. Southeast Daviess District also made a similar adjustment for the wholesale water sales of \$55,215. The Commission finds that this adjustment is reasonable as an examination of Southeast Daviess District's billing register was completed by Staff and a billing analysis was created based on all of the information provided. Staff's billing analysis supported Southeast Daviess District's proposed sales revenue.

Nonrecurring Charges Adjustment. In the Staff Report, Staff recommended a reduction to Southeast Daviess District's miscellaneous service revenue of \$26,220 to reflect the Commission's recent decision set out in the final Order issued in Hyden-Leslie Water District's (Hyden-Leslie District) recent Alternative Rate Filing (ARF).⁷ The Commission finds that as personnel are paid during normal business hours, estimated labor costs previously included in determining the amount of nonrecurring charges should be eliminated from the charges. Staff updated the nonrecurring charges to reflect the Commission's precedent as well as an update to the mileage costs. For After Hours Nonrecurring Charges, Staff removed office/clerical labor costs and updated the mileage rate, assuming office/clerical labor expenses are not incurred after hours for after-hours activities, but instead those in office activities are performed during ordinary business hours. By reflecting only the marginal costs incurred in special nonrecurring service

⁷ Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020). See also, Case No. 2020-00167, *Electronic Application of Ohio County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 3, 2020).

charges, Southeast Davies District's rates will be more in line with the principle of cost causation. Merely allocating a fixed expense of ordinary labor costs in special nonrecurring charges like disconnect or reconnect fees creates a mismatch between how a utility incurs expenses and how it recovers those expenses from customers. Instead of reflecting fixed costs in special nonrecurring charges that a utility incurs regardless of the number or timing of those nonrecurring services, including those fixed costs in rates for water service more closely aligns those expenses with the actions that drive them. For a publicly owned, nonprofit utility such as Southeast Daviess District that operates on thin margins, the Commission finds it is reasonable and necessary to provide appropriate rates to help ensure the health of the utility's operations. This approach to ratemaking is entirely consistent with the Commission's history of ensuring that rates reflect, to a reasonable degree, the principle of cost causation while simultaneously taking into account the health of the utility and the ability of the utility to provide the adequate, efficient and reasonable provision of service. The implementation of rates that significantly deviate from the actions and expenses underlying the service provided can create material issues with a utility's ability to meet its approved revenue requirement, particularly a utility with razor thin margins. In keeping with precedent, the Commission finds this adjustment to be reasonable.

Employee Salaries and Wages. In the Staff Report, Staff reduced Southeast Daviess District's test-year by \$30,280 and an associated reduction in Payroll Tax Expense of \$4,223 as well as a reduction in Pension Expense of \$4,150, to reflect the

change in allocation percentage between Southeast and West Daviess County Water Districts as well as the annualization of current staff levels and wage rates.⁸

In its response, Southeast Daviess District advised that the two salaried employees were incorrectly treated as not-allocated in the salaries and wages schedule provided by the district. The Commission finds that Staff’s adjustment should be revised so to properly treat the salaried employees as allocated. Using the wage information provided by Southeast Daviess District, the Commission is increasing test-year Salaries and Wages expense by \$15,724, and an associated reduction in Payroll Tax Expense of \$704 as well as an increase in Pension Expense of \$2,290, as shown below.

Job Title	Test Year Normal Hours	Pro Forma Wage Rate	Pro Forma Normal Wages	Pro Forma Overtime Hours	Pro Forma Overtime Rate	Pro Forma Overtime Wages	Total Pro Forma Wages
General Manager	Salary	\$ 4,458	\$ 106,992	N/A	N/A	N/A	\$ 106,992
Office Manager	Salary	3,504	84,096	N/A	N/A	N/A	84,096
Meter Reading Foreman	2,080	28.27	58,802	8.00	\$ 42.41	\$ 339	59,141
Meter Reader / Maintenance	2,080	17.89	37,211	145.00	26.84	3,891	41,102
Maintenance	2,080	29.09	60,507	179.00	43.64	7,811	68,318
Maintenance	2,080	20.09	41,787	60.00	30.14	1,808	43,595
Maintenance	2,080	23.79	49,483	18.00	35.69	642	50,126
Maintenance	2,080	23.44	48,755	48.50	35.16	1,705	50,460
GIS Supervisor / Maintenance	2,080	17.92	37,274	62.00	26.88	1,667	38,940
Maintenance	2,080	17.50	36,400	47.00	26.25	1,234	37,634
Office Clerk	2,080	17.34	36,067	6.50	26.01	169	36,236
Office Clerk	2,080	16.90	35,152	8.00	25.35	203	35,355
Office Clerk	2,080	16.58	34,486	1.50	24.87	37	34,524
Meter Tester / Office Clerk	2,080	17.21	35,797	36.86	25.82	952	36,748

⁸ Staff Report at 7–8, Adjustment D.

Pro Forma Total Salaries & Wages Expense	\$	723,267
Pro Forma Southeast Allocation Percentage		58.71%
Pro Forma Southeast Salaries & Wages Expense		424,630
Less: Test Year Salaries & Wages Expense		(408,906)
Pro Forma Adjustment	\$	<u>15,724</u>
Pro Forma Salaries and Wages Expense	\$	424,630
Times: 7.65 Percent FICA Rate		<u>7.65%</u>
Total Pro Forma Payroll Taxes		32,484
Less: Test Year Payroll Taxes		<u>(33,188)</u>
Payroll Tax Adjustment	\$	<u>(704)</u>
Pro Forma Salaries and Wages Expense	\$	424,630
Times: 14 Percent Pension Contribution		<u>14.00%</u>
Total Pro Forma Payroll Taxes		59,448
Less: Test Year Payroll Taxes		<u>(57,158)</u>
Pension & Benefits Adjustment	\$	<u>2,290</u>

Employee Health Insurance. In the Staff Report, Staff reduced Southeast Daviess District’s test-year Employee Pension and Benefit expense of \$221,196 by \$77,493 to reflect Commission policy of reducing benefit expenses for utilities that pay 100 percent of its employees’ health insurance coverage. Staff’s adjustment reflects the national average employee contribution rate of 21 percent for single health insurance coverage, and 34 percent for all other coverage plans.⁹ This adjustment is consistent with Commission precedent¹⁰ in which the Commission has reduced benefits expenses for utilities that pay 100 percent of an employee’s health insurance coverage, and the Commission finds that this adjustment is reasonable and should be accepted.

⁹ Staff Report at 8, Adjustment E.

¹⁰ Case No. 2019-00053, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment in Existing Rates*, (Ky. PSC June 20, 2019) at 8–12.

In its response, Southeast Daviess District advised that the schedule used by Staff to calculate its adjustment incorrectly used a total amount that included insurance expenses that were not limited to health insurance. The Commission finds that Staff's adjustment should be revised so to properly reflect the allowable levels of recoverable health insurance expense and a more appropriate adjustment of \$(51,692) should be made to test-year health insurance expenses.

Purchased Water. In the Staff Report, Staff recommended that the Commission accept Southeast Daviess District's proposed adjustment to reduce test-year purchased water expense by \$324,141 to account for two suppliers from which Southeast Daviess District purchases water increasing their wholesale rate. The Commission finds that this adjustment is reasonable as an examination of Southeast Daviess District's purchased water bills was completed by Staff and an annualization was calculated based on all of the information provided.

Allocation Percentage Change. In the Staff Report, Staff recommended several adjustments to test-year expenses that are currently allocated between Southeast Daviess District and West Daviess County Water District (West Daviess District) based on the change in allocation percentage from 45/55 percent to 41.29/58.71 for West Daviess District and Southeast Daviess District, respectively.¹¹

In its response, Southeast Daviess District advised that one account, materials and supplies expense, was not allocated as a total account, but instead contained individual items that were allocated or directly charged, depending on the nature of the expense and provided a breakdown of the nature of each expense in the account. The

¹¹ Staff Report, Appendix A.

Commission finds that Staff's adjustment should be revised and should be \$607 to properly reflect the allocated levels of materials and supplies expense. In addition, to account for an expense total that was incorrectly attributed to computer and telephone expense that the district includes in materials and supplies, the Commission finds that a more appropriate adjustment should be made to decrease test-year computer and telephone expense by \$7.

Southeast Daviess County Water District

Account	Category of Expense	Test Year Total	Adjustment	Proforma
620-5	Shared Expense	\$ 4,944	\$ 333	\$ 5,277
	Unshared Expense	113,465		113,465
	Subtotal	118,409	333	118,742
620-7	Shared Expense	\$ 5,235	\$ 353	\$ 5,588
	Unshared Expense	32,926		32,926
	Subtotal	38,161	353	38,514
621-7	Shared Expense	\$ -		\$ -
	Unshared Expense	10,284		10,284
	Subtotal	10,284	-	10,284
TOTAL MATERIALS AND SUPPLIES		\$ 166,854	\$ 687	\$ 167,541

	Southeast Percentage	West Percentage
Computer and Telephone Expense	58.71%	41.29%
616-8 Transmission & Distribution/Maintenance	6,500	4,572
Computer and Telephone Expense Total	6,500 [█]	4,572
Less: Test Year Computer and Telephone Expense	(6,507)	(4,565)
Pro Forma Adjustment	(7) [█]	7

AMI Annual Fee Increase. In the Staff Report, Staff recommended that the Commission accept Southeast Daviess District's proposed adjustment to increase test-year purchased water expense by \$456 to account for the vendor Southeast Daviess

District uses for AMI scheduling an increase of 3.00 percent over its 2019 rate for its 2020 rate. The Commission finds that this adjustment is reasonable as it serves to adjust operating expenses to a pro forma level.

Depreciation. In the Staff Report, Staff recommended an adjustment reducing test-year Depreciation expense by \$19,925 in keeping with Commission precedent¹² of using NARUC Study depreciable life midpoint when no evidence exists to support a specific life that is outside the NARUC ranges. The Commission finds that this adjustment is reasonable and should be accepted as it is consistent with Commission precedent.

SUMMARY OF REVENUE AND EXPENSES

Based on the pro forma adjustments approved herein, Southeast Daviess District's pro forma operational revenue is as follows:¹³

	<u>2019 Annual Report</u>	<u>Order Adjustments</u>	<u>Pro Forma Operations</u>
Total Operating Revenues	\$ 2,542,370	\$ 274,790	\$ 2,817,160
Utility Operating Expenses	<u>(2,671,184)</u>	<u>(274,186)</u>	<u>(2,945,370)</u>
Net Utility Operating Income	<u>\$ (128,814)</u>	<u>\$ 604</u>	<u>\$ (128,210)</u>

REVENUE REQUIREMENT

Based upon the Commission's findings and determinations herein, Southeast Daviess District requires an increase in revenues of \$467,080, or 17.33 percent above pro forma present rate revenues as shown below. This increase is required for Southeast Daviess District to remain operational and financially sound and have an opportunity to provide adequate, efficient, and reasonable service to its customers.¹⁴

¹² See Case No. 2016-00163 *Alternative Rate Adjustment Filing of Marion County Water District* (Ky. PSC Nov. 10, 2016).

¹³ See Appendix B for a detailed Pro Forma Income Statement.

¹⁴ KRS 278.030(2).

Operating Expenses	\$ 2,945,370
Divided by: Operating Ratio	<u>88%</u>
Overall Revenue Requirement	3,347,011
Add: Interest Expense	4,563
Less: Other Operating Revenue	(98,159)
Private Fire Protection	(23,328)
Interest Income	<u>(67,334)</u>
Revenue Requirement - Water Rates	3,162,753
Less: Normalized Revenue from Water Service	<u>(2,695,673)</u>
Required Revenue Increase	<u>\$ 467,080</u>
Percentage Increase	<u>17.33%</u>

RATE DESIGN

Southeast Daviess District proposed to increase all of its monthly retail water service rates evenly across the board by approximately 15.49 percent. Southeast Daviess District has not performed a cost of service study (COSS). Southeast Daviess District stated that they did not complete a COSS at this time as there has not been any material change in the water system to warrant a COSS.¹⁵ In Case No. 2020-00287,¹⁶ Southeast Daviess District and West Daviess District requested to merge their operations and systems to form the Daviess County Water District. Southeast Daviess District and West Daviess District stated that after a year of combined operations, the utilities plan to file another rate case with a full COSS supporting unification of rates for the two systems.

¹⁵ Response to Staff's First Request for Information (filed Aug. 14, 2020), Item 3.

¹⁶ Case No. 2020-00287, *Electronic Joint Application of Southeast Daviess County Water District and West Daviess County Water District for an Order Approving Their Merger Agreement*. (filed Sept. 4, 2020.)

The Commission finds that the allocation of a revenue increase evenly across the board to a utility's rate design is appropriate when there has been no evidence entered into the record demonstrating that this method is unreasonable and in the absence of a COSS. In its report, Staff followed the method proposed by Southeast Daviess District and allocated Staff's calculated revenue increase across the board to Southeast Daviess District's monthly retail water service rates.

The rates set forth in Appendix A to this Order are based upon the revenue requirement the Commission has found to be fair, just and reasonable and will produce sufficient revenues from water sales to recover the \$3,162,753 Revenue Required from Rates, an approximate 17.33 percent increase. These rates will increase a typical residential customer's monthly water bill from \$20.09 to \$23.57, an increase of \$3.48, or approximately 17.32 percent.¹⁷

Late Payment Fee. Southeast Daviess District assesses customers who pay their bill after the date in which the bill is due a 10.00 percent late payment fee. This fee is presumably intended to elicit customer behavior, is not cost based, and creates an additional expense for customers who have already failed to timely make payment. The evidence collected in Case No. 2020-00085, and the portion of which related to Hyden-Leslie District was discussed at the hearing in Case No. 2020-00141, has challenged the efficiency of late fees.¹⁸ In response to the Commission's Request for Information in Case No. 2020-00085, the data provided by many utilities demonstrated that the moratorium

¹⁷ The typical residential customer uses approximately 4,000 gallons per month.

¹⁸ See Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC March 16, 2020), Hyden-Leslie District's Response to Commission Staff's Initial Request for Information (filed July 23, 2020).

on late payment fees had no material effect on the percentage of customers paying on time.¹⁹ The Commission, in its September 21, 2020 Order in Case No. 2020-00085, also discussed the fact that most late fees are not calculated based upon actual costs or the time value of money.²⁰

Commission regulation 807 KAR 5:006, Section 9(2) states: “A charge shall relate directly to the service performed or action taken and shall yield only enough revenue to pay the expenses incurred in rendering the service.” The evidence provided in Case No. 2020-00085, and the record in Case No. 2020-00141, shows that utilities rely on these fees as a significant portion of their income and the process disproportionately affects those customers who have already evidenced an inability to timely pay, thus making it unreasonable to continue to collect late fees that do not have the intended impact on customer’s behavior. Furthermore, the addition of late fees, disconnect charges, and reconnect charges to a bill for water service makes it less likely customers who have already failed to timely pay will be able to do so at all. Customers being unable to pay at all increases the utility’s bad debt expense, reduces the utility’s income and cash flow in that period, and ultimately increases the cost of service for the remainder of customers. Commission regulation 807 KAR 5:006, Section 9(3)(h), states that “[a] late payment charge may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill,”²¹ which allows the Commission discretion to determine whether the fee is fair, just and reasonable. For Southeast Davies District the collection

¹⁹ *Id.*

²⁰ *Id. at 3.*

²¹ 807 KAR 5:006, Section 9(3)(h).

of late fees is not recovering an actual cost that the utility incurs, it is purely a punitive exercise that disproportionately affects those customers already unable to pay for service rendered, and the uncontroverted evidence indicates it has little-to-no effect on a customer's timeliness of payment. Therefore, the Commission has included the amount estimated to have been collected by Southeast Daviess District in the test-year by collection of late fees to the revenue requirement so that the utility can receive the income through its base rates. This allows Southeast Daviess District to have a secure revenue stream related to service rendered.

Based upon the evidence of record, the Commission finds it reasonable to remove Southeast Daviess District's Late Payment Fee.

SUMMARY

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The findings contained in the Staff Report are supported by the evidence of record and are reasonable with the adjustments proposed by Southeast Daviess District in its response and modified by the Commission's additional adjustments.
2. The water service rates proposed by Southeast Daviess District in its application should be denied.
3. The water service rates set forth in Appendix A to this Order are fair, just and reasonable and should be approved.

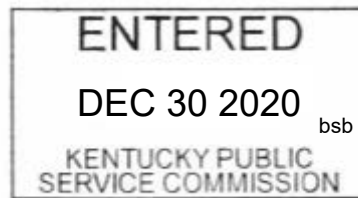
IT IS THEREFORE ORDERED that:

1. The findings contained in the Staff Report are adopted and incorporated by reference into this Order as if fully set out herein.

2. The rates originally proposed by Southeast Daviess District are denied.
3. The rates set forth in Appendix A to this Order are approved for services rendered by Southeast Daviess District on and after the date of this Order.
4. Southeast Daviess District shall discontinue charging a Late Payment Fee.
5. Within 20 days of the date of entry of this Order, Southeast Daviess District shall file with this Commission, using the Commission's electronic Tariff Filing System, new tariff sheets setting forth the rates and charges approved herein and their effective date and stating that the rates and charges were authorized by this Order.
6. This case is closed and removed from the Commission's docket.

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By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00195 DATED DEC 30 2020

The following rates and charges are prescribed for the customers in the area served by Southeast Daviess County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

<u>5/8- x 3/4-Inch Meter</u>	\$2.97	Minimum Bill
<u>1-Inch Meter</u>	\$4.15	Minimum Bill
<u>1 1/2-Inch Meter</u>	\$5.34	Minimum Bill
<u>2-Inch Meter</u>	\$8.61	Minimum Bill
<u>3-Inch Meter</u>	\$32.65	Minimum Bill
<u>4-Inch Meter</u>	\$41.56	Minimum Bill
<u>6-Inch Meter</u>	\$62.34	Minimum Bill
<u>8-Inch Meter</u>	\$86.09	Minimum Bill

Volumetric Rates

First 20,000 Gallons	\$.00515	Per Gallon
Over 20,000 Gallons	\$.00415	Per Gallon

Wholesale Rates

First 20,000 Gallons	\$.00329	Per Gallon
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Nonrecurring Charges

Service Calls	\$11.50
Service Calls After Hours	77.00
Disconnect Fee	11.50
Disconnect After Hours	77.00
Reconnect Fee	11.50
Reconnect Fee After Hours	77.00

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2020-00195 DATED DEC 30 2020

Detailed Pro Forma Income Statements

	2019 <u>Annual Report</u>	Pro Forma <u>Adjustments</u>	Pro Forma <u>Operations</u>
Operating Revenues:			
Revenues from Water Sales:			
Metered Water Sales:	\$ 2,149,968	(18,145)	
		275,391	\$ 2,407,214
Private Fire Protection	23,328		23,328
Sales for Resale	233,244	55,215	288,459
Other Water Revenues:			
Forfeited Discounts	29,596	(29,596)	0
Misc. Service Revenues	27,615	(26,220)	
		18,145	19,540
Other Water Revenues	78,619		78,619
	<u>135,830</u>	<u>(37,671)</u>	<u>98,159</u>
Total Other Water Revenues			
Total Operating Revenues	<u>2,542,370</u>	<u>274,790</u>	<u>2,817,160</u>
Operating Expenses:			
Operation & Maintenance:			
Salaries & Wages - Employees	408,906	15,724	424,630
Salaries & Wages - Officers	9,000		9,000
Employee Pension and Benefits	221,196	2,290	
		(51,692)	171,794
Purchased Water	1,281,495	324,141	1,605,636
Purchased Power	67,032	94	67,126
Materials and Supplies	166,854	687	
		456	167,997
Contractual Services	27,035	(7)	27,028
Rental of Building/Real Property	6,665	200	6,865
Transportation Expenses	32,711	406	33,117
Insurance - Gen. Liab. & Workers Comp	30,453	1,570	32,023
Insurance - Other	411	28	439
Bad Debt	9,220		9,220
Miscellaneous Expenses	18,920	918	19,838
	<u>2,279,898</u>	<u>294,815</u>	<u>2,574,713</u>
Total Operation & Maintenance			
Depreciation	353,651	(19,925)	333,726
Taxes Other Than Income	37,635	(704)	36,931
	<u>2,671,184</u>	<u>274,186</u>	<u>2,945,370</u>
Utility Operating Expenses			
Net Utility Operating Income	<u>\$ (128,814)</u>	<u>\$ 604</u>	<u>\$ (128,210)</u>

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