

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BREATHITT)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE)	2022-00136
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

NOTICE OF FILING OF COMMISSION STAFF'S REPORT

Notice is hereby given that, in accordance with the Commission's Order of July 12, 2023, the attached report containing the recommendations of Commission Staff regarding the Applicant's proposed rate adjustment has been filed in the record of the above-styled proceeding. Pursuant to the Commission's July 12, 2023 Order, Breathitt County Water District (Breathitt District) is required to file written comments regarding the recommendations of Commission Staff no later than 14 days from the date of service of this report. The Commission directs Breathitt District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED OCT 27 2023

cc: Parties of Record

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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COMMISSION STAFF'S REPORT
ON BREATHITT COUNTY WATER DISTRICT

Breathitt County Water District (Breathitt District) is a water utility organized pursuant to KRS Chapter 74 that owns and operates a water distribution system through which it provides retail water service to approximately 2,001 residential customers that reside in Breathitt County, Kentucky.¹

On June 6, 2023,² Breathitt District filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. To comply with the requirements of 807 KAR 5:076, Section 9,³ Breathitt District used the calendar year ended December 31, 2021, as the basis for its application. The application was filed

¹ *Annual Report of Breathitt District to the Public Service Commission for the Calendar Year Ended December 31, 2021* (2021 Annual Report) at 12 and 49.

² Breathitt District tendered its application on June 13, 2022. By letter dated June 20, 2022, the Commission rejected the application for filing deficiencies. The Commission entered an Order on July 25, 2022, holding the case in abeyance to permit Breathitt District to file an application based upon the 2021 calendar year. Breathitt tendered an amended application on March 15, 2023. The Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on June 6, 2023.

³ The reasonableness of the proposed rates shall be determined using a 12-month historical test period, adjusted for known and measurable changes, that coincides with the reporting period of the applicant's annual report for the immediate past year.

pursuant to the Commission's Order in Case No. 2020-00218,⁴ which required Breathitt District to file an application for an adjustment in its base rates or file an alternative rate filing by November 5, 2021. On October 27, 2021, Breathitt District filed a motion for an extension of time.⁵ On November 17, 2021, the Commission denied Breathitt District's request and ordered it to file a rate case as soon as possible.⁶ Breathitt District's last base rate increase pursuant to the alternative rate filing procedure was in Case No. 2017-00140.⁷ Since that matter, Breathitt District has only adjusted its rates pursuant to purchased water adjustments. To ensure an orderly review of the application, the Commission established a procedural schedule by Order dated July 12, 2023. Breathitt District responded to two discovery requests from Commission Staff.⁸

UNACCOUNTED-FOR WATER LOSS

The Commission notes that in its 2021 Annual Report, Breathitt District reported a water loss of 12.0241 percent.⁹ Commission regulation 807 KAR 5:066, Section 6(3), states that for ratemaking purposes, a utility's water loss shall not exceed 15 percent of total water produced and purchased, excluding water consumed by a utility in its own

⁴ Case No. 2020-00218, *Electronic Application of Breathitt County Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct a Water Improvements Project Pursuant to the Provisions of KRS 278.020 and 807 KAR 5:001* (Ky. PSC Nov. 5, 2020), Order at 8, ordering paragraph 13.

⁵ Case No. 2021-00218, Motion for Extension of Time (filed Oct. 27, 2021).

⁶ Case No. 2021-00218, Nov. 17, 2021 Order at 2, ordering paragraph 2.

⁷ Case No. 2017-00140, *Electronic Application of Breathitt County Water District for an Alternative Rate Adjustment*.

⁸ Breathitt District's Response to Commission Staff's First Request for Information (Staff's First Request) (filed Aug. 17, 2023). Breathitt District's Response to Commission Staff's Second Request for Information (Staff's Second Request) (filed Sept. 14, 2023).

⁹ 2021 Annual Report at 57.

operations. The table below shows that the 2021 total annual cost of water loss to Breathitt District is \$55,738.

	<u>Purchased Water</u>	<u>Purchased Power</u>	<u>Total</u>
Pro Forma Expenses	\$ 349,288	\$ 114,259	\$ 463,547
Times: Total Water loss	<u>12.0241%</u>	<u>12.0241%</u>	<u>12.0241%</u>
Total Water Loss	<u>\$ 41,999</u>	<u>\$ 13,739</u>	<u>\$ 55,738</u>

DISCUSSION

Using its pro forma test-year operations, Breathitt District determined that a base rate revenue increase of \$683,425, or 56.88 percent, was necessary to achieve the revenue requirement as shown in the table below.¹⁰ Breathitt District proposed utilizing the Debt Service Coverage (DSC) method to determine the revenue requirement, which is discussed in the next section. The rates requested by Breathitt District would increase the residential monthly bill of a typical residential customer using 3,000 gallons per month by \$25.30, from \$44.48 to \$69.78, or approximately 56.88 percent.¹¹

¹⁰ Application, Attachment 6, Revenue Requirement Calculation – Debt Service Coverage Method.

¹¹ Breathitt District’s Response to Deviation Denial (filed Jun.6, 2023), BCWD_CUSTOMER_RE-NOTICE.pdf.

	Breathitt District Proposed
Pro Forma Operating Expenses	\$ 1,747,311
Plus: Avg. Annual Principal and Interest Payments	114,916
Additional Working Capital	22,983
Total Revenues Requirement	1,885,210
Less: Other Operating Revenue	0
Interest Income	(182)
Non Utility Income	0
Revenue Required From Water Sales	1,885,028
Revenue from Sales at Present Rates	(1,201,603)
Required Revenue Increase	<u>\$ 683,425</u>
Percentage Increase	<u>56.88%</u>

To determine the reasonableness of the rates requested by Breathitt District, Commission Staff performed a limited review of Breathitt District's test-year operations. The scope of Commission Staff's review was limited to determining whether operations reported for the test year were representative of normal operations. Known and measurable¹² changes to test-year operations were identified, and adjustments were

¹² Commission regulation 807 KAR 5:076, Section 9, sets the standard for the determination of the reasonableness of proposed rates and states, in pertinent part, that the test period shall be "adjusted for known and measurable changes." See also Case No. 2001-00211, *Application of Hardin County Water District No. 1 for (1) Issuance of Certificate of Public Convenience and Necessity; (2) Authorization to Borrow Funds and to Issue its Evidence of Indebtedness Therefore; (3) Authority to Adjust Rates; and (4) Approval to Revise and Adjust Tariff* (Ky. PSC Mar. 1, 2002); Case No. 2002-00105, *Application of Northern Kentucky Water District for (A) an Adjustment of Rates; (B) a Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC June 25, 2003); and Case No. 2017-00417, *Electronic Proposed Adjustment of the Wholesale Water Service Rates of Lebanon Water Works* (Ky. PSC July 12, 2018).

made when their effects were deemed material. Insignificant and immaterial discrepancies were not necessarily pursued or addressed.

Commission Staff's recommendations are summarized in this report. William Foley reviewed the calculation of Breathitt District's Overall Revenue Requirement, and Jason Green reviewed Breathitt District's reported revenues and rate design.

SUMMARY OF FINDINGS

1. Overall Revenue Requirement and Required Revenue Increase. By applying the DSC method, as generally accepted by the Commission, Commission Staff determined that Breathitt District's required revenue from water sales is \$1,888,497 to meet the Overall Revenue Requirement of \$1,953,473 and that a \$686,894 revenue increase, or 57.16 percent, to pro forma present rate revenues is necessary to generate the Overall Revenue Requirement.

2. Monthly Water Service Rates. Based upon the revenue requirement, Breathitt District proposed to increase its monthly retail water service rates evenly across the board. Breathitt District did not perform a cost of service study (COSS), and is unsure when the last time a COSS has been performed.¹³ Breathitt District stated that it did not complete a COSS at this time, as there has not been any material change in the water system to warrant a COSS.¹⁴

The Commission has previously found that the allocation of a revenue adjustment 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

¹³ Breathitt District's Response to Staff's First Request, Item 10.

¹⁴ Breathitt District's Response to Staff's First Request, Item 12.

the absence of a COSS. Finding no such evidence in this case, Commission Staff followed the method proposed by Breathitt District and allocated the \$686,894 revenue increase across the board to Breathitt District's monthly retail and wholesale water service rates.

The rates set forth in Appendix B to this report are based upon the revenue requirement, as calculated by Commission Staff, and will produce sufficient revenues from water sales to recover the \$1,888,497 Revenue Required from Water Sales, an approximate 57.16 percent increase. These rates will increase a typical retail residential customer's monthly water bill from \$44.48¹⁵ to \$69.92, an increase of \$25.44, or approximately 57.19 percent.

3. Nonrecurring Charges. Following the Commission's recent decisions,¹⁶ Commission Staff has reviewed Breathitt District's nonrecurring charges. The Commission found that because district personnel are currently paid during normal business hours and the labor costs are recovered in rates, estimated labor costs previously included in determining the amount of Nonrecurring Charges should be eliminated to avoid double recovery of the same expense. Commission Staff reviewed the cost justification information provided by Breathitt District and adjusted these charges by removing Field Labor Costs of \$17.00 per hour and Office/Clerical Labor Costs of

¹⁵ Application, Attachment 1, Customer Notice, typical residential customer uses approximately 3,000 gallons per month.

¹⁶ Case No. 2020-00141, *Electronic Application of Hyden-Leslie County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 6, 2020); Case No. 2020-00167, *Electronic Application of Ohio County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 3, 2020); Case No. 2020-00196, *Electronic Application of West Daviess County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 30, 2020); and Case No. 2020-00195, *Electronic Application of Southeast Daviess County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 30, 2020).

\$18.50 per hour from those charges which occur during normal business hours.¹⁷ For the remaining nonrecurring charges, Commission Staff agrees that Breathitt District's proposed adjustments meet the ratemaking criteria of being known and measurable. Breathitt County advised Commission Staff that it will no longer assess its Meter Re-Read and Field Collection charges and requested to remove them from its tariff.¹⁸ The breakdown of costs for each nonrecurring charge and any Commission Staff adjustment is provided in Appendix C to this report.

These adjustments result in the following revised nonrecurring charges:

	<u>Nonrecurring Charge</u>	
	<u>Current Charge</u>	<u>Revised Charge</u>
Connection/Turn-On Charge	\$25.00	\$18.00
Connection/Turn-On Charge (After Hours)	\$50.00	\$44.00
Meter Test Charge	\$40.00	\$40.00
Reconnection Charge	\$50.00	\$18.00
Reconnection Charge (After Hours)	\$65.00	\$57.00
Returned Check Charge	\$30.00	\$5.00
Service Call/Investigation	\$25.00	\$18.00
Service Call/Investigation (After Hours)	\$50.00	\$57.00
Meter Relocation Charge	Actual Cost	Actual Cost
Repair to Meter, Meter Lid, or Setter	Actual Cost	Actual Cost

The revised nonrecurring charges result in a decrease to test-year Other Water Revenues and an increase to the total revenue requirement of \$3,689 as explained in Adjustment (C) below:

¹⁷ Breathitt District's Response to Staff's First Request, Item 18.

¹⁸ Breathitt District's Response to Staff's Second Request, Item 5.

Description	Occurrences	Current Charge	Revised Charge	Adjustment	Pro Forma
Connection/Turn-On Charge	120	\$25.00	\$18.00	-\$840	\$2,160
Connection/Turn-On Charge (After Hours)	0	\$50.00	\$44.00	\$0	\$0
Meter Relocation Charge	0	Actual Cost	Actual Cost	N/A	\$0
Meter Test Charge	0	\$40.00	\$40.00	\$0	\$0
Reconnection Charge	82	\$50.00	\$18.00	-\$2,624	\$1,476
Reconnection Charge (After Hours)	0	\$65.00	\$57.00	\$0	\$0
Returned Check Charge	9	\$30.00	\$5.00	-\$225	\$45
Service Call/Investigation	0	\$25.00	\$18.00	\$0	\$0
Service Call/Investigation (After Hours)	0	\$50.00	\$57.00	\$0	\$0
Repair to Meter, Meter Lid or Setter	0	Actual Cost	Actual Cost	N/A	\$0
Pro Forma Test Year NRC Revenue					\$3,681
Less: Test Year NRC Revenue					<u>\$7,370</u>
Adjustment					<u><u>-\$3,689</u></u>

PRO FORMA OPERATING STATEMENT

Breathitt District's Pro Forma Operating Statement for the test year ended December 31, 2021, as determined by Commission Staff appears in the table below.

	Test Year	Breathitt District Proposed Adjustment	Commission Staff Proposed Adjustment	Total Proposed Adjustment	(Ref.)	Pro Forma
Operating Revenues						
Total Metered Water Sales	\$ 1,211,343	\$ (9,740)		\$ (9,740)	(A)	\$ 1,201,603
Other Water Revenues						
Other Water Revenues	-					
Other Water Revenues	48,569	(29,386)	-	(29,386)	(B)	
			(3,689)	(3,689)	(C)	15,494
Total Operating Revenues	1,259,912	(39,126)	(3,689)	(42,815)		1,217,097
Operating Expenses						
Operation and Maintenance Expenses						
Salaries and Wages - Employees	209,774	(39)	37,082	37,043	(D)	
		(14,693)	0	(14,693)	(E)	232,124
Salaries and Wages - Officers	18,000		(18,000)	(18,000)	(F)	0
Employee Pensions	64,763	(59,741)	52,597	(7,144)	(G)	57,619
Employee Benefits	89,250		(27,000)	(27,000)	(H)	
		(13,712)	0	(13,712)	(I)	48,538
Purchased Water	334,036		10,000	10,000	(J)	
			5,252	5,252	(K)	349,288
Purchased Power	114,259					114,259
Materials and Supplies	116,217	(14,693)	0	(14,693)	(E)	101,524
Contractual Services	33,865					33,865
Water Testing	5,205					5,205
Rents	7,200					7,200
Transportation Expenses	41,609					41,609
Insurance	21,914					21,914
Miscellaneous Expense	21,844		6,110	6,110	(L)	27,954
Total Operation and Maintenance Expenses	1,077,936	(102,878)	66,041	(36,837)		1,041,099
Depreciation	1,118,390	(397,393)	(1,442)	(398,835)	(M)	
		470	265	735	(N)	720,290
Taxes Other Than Income	50,789		(16,048)	(16,048)	(O)	
			27,000	27,000	(H)	
		(3)	(7,448)	(7,451)	(P)	54,290
Utility Operating Expenses	2,247,115	(499,804)	68,368	(431,436)		1,815,679
Net Operating Income	(987,203)	460,678	(72,057)	388,621		(598,582)
Interest and Dividend Income	182	-	-	-		182
Nonutility Income	49,300	-	-	-		49,300
Income Available to Service Debt	\$ (937,721)	\$ 460,678	\$ (72,057)	\$ 388,621		\$ (549,100)

(A) Billing Analysis. Breathitt District provided a billing analysis listing the water usage and water sales revenue for the 12-month test year in its application. In the 2021

Annual Report, total metered water sales revenue reported for the test year is \$1,211,343.¹⁹ Breathitt District provided a billing analysis to calculate a normalized revenue amount based on the usage during the test year using the rates authorized in its current tariff to be \$1,201.603.²⁰ Consequently, Commission Staff decreased test-year water sales revenue by \$9,740 to reflect the revenues from water rates reported in the billing analysis.

(B) Other Water Revenues – Water Taps. In its application, Breathitt District proposed an adjustment to reduce Other Water Revenues by \$29,386,²¹ to reflect the removal of tap fees. Commission Staff reviewed the Adjusted Trial Balance and confirmed that Breathitt District reported \$29,386 in tap fees.²² According to the Uniform System of Accounts, amounts received from the installation of meters should not be recorded as revenue but should be recorded as Contributions in Aid of Construction²³ and credited to Account 271 – Contributions in Aid of Construction. Therefore, Commission Staff decreased Miscellaneous Service Revenues by \$29,386.

(C) Other Water Revenues – Nonrecurring Charges. As discussed in the Nonrecurring Charges section above, the adjustments to the nonrecurring charges result in a decrease in Miscellaneous Service Revenues of \$3,689.

(D) Salaries and Wages - Employees. In its application, Breathitt District proposed an adjustment to decrease test year Salaries and Wages - Employees by \$39

¹⁹ 2021 Annual Report at 49.

²⁰ Breathitt District's Response to Staff's First Request, Item 9, BCWD_9_Billing_Analysis.xlsx.

²¹ Application, Exhibit 5, References, Adjustment B.

²² Breathitt District's Response to Staff's First Request, Item 1b, BCWD_1a_General_Ledger_2021.xlsx.

²³ Uniform System of Accounts for Class A/B Water Companies at 98, Section 334, Meters and Meter Installation, Note C.

to account for employee turnover.²⁴ Commission Staff reviewed the calculation and determined that Breathitt District calculated the adjustment using 2020 hours worked instead of 2021.²⁵ Therefore, Commission Staff disagrees with the proposed adjustment. Breathitt District provided its current employee list,²⁶ test year hours worked,²⁷ and current employee wages.²⁸ Based upon the employee list, subsequent to the test-year two employees left employment, and one new employee was hired. Commission Staff normalized the test-year Salaries and Wages – Employees and calculated a Salaries and Wages – Employees amount of \$246,817. Therefore, based on the normalized test year, Commission Staff increased Salaries and Wages – Employees by \$37,043, which is \$37,082 more than the amount proposed by Breathitt District as shown below.

Test Year hours with Current Wages								
Employee Position	Total Hours	Test Year Normalized Hours	Current Wages Rates	Pro Forma Normal Wages	Test Year Overtime Hours	Current Overtime Wage Rates	Pro Forma Overtime Wages	Total Pro Forma Wages
Office Clerk	2,160	2,080	\$ 10.00	\$ 20,800	80	\$ 15.00	\$ 1,200	\$ 22,000
Office Manager	2,170	2,080	18.50	38,480	90	27.75	2,498	40,978
Superintendent	2,766	2,080	25.00	52,000	686	37.50	25,725	77,725
Maintenance Worker	2,399	2,080	15.00	31,200	319	22.50	7,178	38,378
Maintenance Worker	2,534	2,080	17.00	35,360	454	25.50	11,577	46,937
Maintenance Worker	2,080	2,080	10.00	20,800	-	15.00	-	20,800
				<u>\$ 198,640</u>			<u>\$ 48,177</u>	
				Pro Forma Wages				246,817
				Less: Test Year Wages				(209,774)
				Pro Forma Adjustment				37,043
				Less: Breathitt District's Proposed Adjustment				39
				Commission Staff Proposed Adjustment				<u>\$ 37,082</u>

²⁴ Application, Attachment 5, Adjustment C.

²⁵ Breathitt District's Response to Staff's First Request, Item 1h, BCWD_1h_SAO_ADJ.xlsx.

²⁶ Breathitt District's Response to Staff's First Request, Item 1d, BCWD_1d_Employee_list_Job_Titles_Current.pdf.

²⁷ Breathitt District's Response to Staff's First Request, Item 1d, BCWD_1d_2021_hours_worked.xlsx

²⁸ Breathitt District's Response to Staff's First Request, Item 1d, BCWD_1d_Employee_list_Job_Titles_Current.pdf.

(E) Expenses Related to Meter Installations. In its application, Breathitt District proposed an adjustment to decrease test-year Materials and Supplies by \$14,693 and Salaries and Wages – Employees by \$14,693 to account for the costs for new taps that were included as part of these expenses.²⁹ Breathitt District reported it collected \$29,386 in Tap fees during the test year.³⁰ The Uniform System of Accounts for Class A/B Water Systems (USoA) requires that these costs be capitalized as Utility Plant in Service and depreciated over their estimated useful lives.³¹ Commission Staff agrees with Breathitt District’s proposed adjustment, and decreased Materials and Supplies expense by \$14,693 and Salaries and Wages – Employees by \$14,693 as shown below. Additionally, Commission Staff capitalized the meter installation costs and made a corresponding adjustment to test-year depreciation as shown in adjustment (N).

	Salaries and Wages Employees	Materials and Supplies
Tap Fees	\$ 29,386	\$ 29,386
Times Allocation percent:	50%	50%
Total Proposed Adjustment	(14,693)	\$ (14,693)
Less: Breathitt District Proposed Adjustment	14,693	14,693
Commission Staff Proposed Adjustment	\$ -	\$ -

(F) Salaries and Wages – Officers. In the test year, Breathitt District reported Salaries and Wages — Officers expense of \$18,000.³² Breathitt District currently has five

²⁹ Application, Attachment 5, Adjustment C.

³⁰ Application, Attachment 5, Adjustment C.

³¹ USoA, Accounting Instruction 19 and 33.

³² Application, Attachment 5, Statement of Adjusted Operations.

board members³³ who are each paid \$3,600 annually.³⁴ Commission Staff requested the fiscal court minutes approving Breathitt District's commissioner compensation. Breathitt District stated that it was unable to locate the fiscal court minutes that approve each commissioner's compensation.³⁵ As a result, there is no evidence in the record that authorizes commissioner compensation. Commission Staff decreased Salaries and Wages — Officers expense by \$18,000 based on Commission precedent.³⁶ Additionally, Commission Staff recommends that Breathitt District seek fiscal court approval for the commissioner's Salaries at the next session back to the date it began to pay current commissioners' salaries.

(G) Employee Pensions – County Employee Retirement System (CERS).

Commission Staff separated Employee Pensions and Benefits to Employee Pension and Employee Benefits in order to allow easier analysis of the separate components. In the application Breathitt District proposed an adjustment to decrease Employee Pensions and Benefits by \$59,741 to reflect a decrease in CERS contributions due to a change in Salaries and Wages and a reduction in the contribution percentage.³⁷ Commission Staff notes that Breathitt District used a 25.065 percent contribution rate for CERS.³⁸ Effective

³³ Breathitt District's Response to Staff's First Request, Item 1f.

³⁴ Breathitt District's Response to Staff's First Request, Item 1f.

³⁵ Breathitt District's Response to Staff's First Request, Item 1g.

³⁶ Case No. 2022-00124, *Electronic Application of Elkhorn Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Oct. 24, 2022) at 7–8. Case No. 2022-00221, *Electronic Application of Northeast Woodford County Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Jan. 20, 2023) at 8.

³⁷ Application, Attachment 4, Adjustment E.

³⁸ Breathitt District's Response to Staff's First Request, Item 1h, NMWD_Rate_Study.xlsx.

July 1, 2023, the contribution rate for nonhazardous employees is 23.34 percent.³⁹ Further, Commission Staff notes that Breathitt District made the Governmental Accounting Standards Board (GASB) adjustments in the end of year adjustments to its test year CERS contributions. Commission Staff calculated two adjustments. The first adjustment is a \$15,791 decrease to account for the decrease in contribution percentage. The second adjustment is an increase of \$8,647 to account for the increase Breathitt District's Salaries and Wages – Employees. The two adjustments result in a net total decrease of \$7,144 as shown below.

Test Year Salaries and Wages	\$ 209,774
Current Contribution percentage	<u>23.35%</u>
CERS Retirement- Employer Contribution	48,972
Less: Test Year Pension/ OPEB Expense	<u>(64,763)</u>
Adjustment for change in contribution	<u>(15,791)</u>
Difference between Pro Forma and test year wages	37,043
Current Contribution percentage	<u>23.35%</u>
Adjustment for change in wages	<u>8,647</u>
Net Adjustment	<u>\$ (7,144)</u>

Commission Staff determined a total adjustment of \$7,144 to Employee Pensions (CERS) expense to reflect the change CERS, which is \$52,597 less than proposed by Breathitt District.

³⁹ Kentucky Public Pensions Authority, CERS Employer Contribution Rates, Contribution Rates - Kentucky Public Pensions Authority (<https://www.kyret.ky.gov/Employers/Pages/Contribution-Rates.aspx>).

	Commission Staff Proposed
Salaries and Wages - Employees	\$ 246,817
Multiplied by: Current CERS Contribution Rate	<u>23.35%</u>
CERS Retirement- Employer Contribution	57,619
Less: Test Year Pension/ OPEB Expense	<u>(64,763)</u>
Employee Pensions and Benefits Adjustment	(7,144)
Less: North Marshall District Proposed Adjustment	<u>59,741</u>
Commission Staff Proposed Adjustment	<u><u>\$ 52,597</u></u>

(H) Employee Benefits – Reclassify Payroll Taxes. Commission Staff separated Employee Pensions and Benefits to Employee Pension and Employee Benefits in order to allow easier analysis of the separate components. In its application, Breathitt District reported Employee Pensions and Benefits of \$154,013.⁴⁰ Commission Staff reviewed the Accounts that compose the amount and determined that both Federal and State payroll taxes were included in the category. Therefore, Commission Staff made an adjustment to reduce Employee Pensions and Benefits by \$27,000⁴¹ and increase Taxes Other Than Income by \$27,000.

(I) Employee Benefits – Insurance Premiums. In its application, Breathitt District proposed an adjustment to decrease Employee Pensions and Benefits by \$13,712 to account for the Commission’s practice of limiting insurance premiums to Bureau of

⁴⁰ Application, Attachment 5, Statement of Adjusted Operations.

⁴¹ Breathitt District’s Response to Staff’s First Request, Item 3, BCWD_3_insurance_invoice.pdf.

Labor averages.⁴² All of Breathitt District's Employees receive health and life insurance.⁴³ Breathitt District currently pays 100 percent for full-time employee's health insurance plan, retirement through CERS, and life insurance. The Commission continues to place greater emphasis on evaluating employees' total compensation packages, including both salary and benefits programs, for market and geographic competitiveness to ensure the development of a fair, just and reasonable rate. The Commission found that, in most cases, 100 percent of employer-funded health care does not meet those criteria.⁴⁴

Breathitt District proposed to reduce Breathitt District's single health insurance premiums by 22 percent⁴⁵ and family insurance premiums by 34 percent.⁴⁶ Commission Staff reviewed Breathitt District's proposed adjustment and agrees with its methodology. Breathitt District provided the most recent total monthly premiums per employee for each benefit⁴⁷ and the test-year amount reported for insurance premiums.⁴⁸ Accordingly, utilizing the most recent invoice amounts, and the test-year amount from the general ledger, Commission Staff calculated the proposed adjustment and agrees with Breathitt District's proposed increase of \$13,712, as shown below.

⁴² Application, Attachment 5, Adjustment D.

⁴³ Breathitt District's Response to Staff's First Request, Item 1e.

⁴⁴ Case No. 2020-00167, *Electronic Application of Ohio County Water District for an Alternative Rate Adjustment* (Ky. PSC Dec. 3, 2020); Case No. 2020-00296, *Electronic Application of Allen County Water District for an Alternative Rate Adjustment* (Ky. PSC Feb. 3, 2021).

⁴⁵ Bureau of Labor Statistics, Healthcare Benefits, March 2021, Table 3, private industry workers. (<https://www.bls.gov/news.release/pdf/ebs2.pdf>).

⁴⁶ Bureau of Labor Statistics, Healthcare Benefits, March 2021, Table 4, private industry workers. (<https://www.bls.gov/news.release/pdf/ebs2.pdf>).

⁴⁷ Breathitt District's Response to Staff's First Request, Item 3, BCWD_3_insurance_invoice.pdf.

⁴⁸ Breathitt District's Response to Staff's First Request, Item 1b, 1b_BCWD_TB_2021.pdf, Account 790.00 – Insurance – Health \$62,195.

Type of Premium	Number of Employees	Employer Contributions	Average Employee Contribution Rate	Monthly Premium Adjustment	Pro Forma Monthly Premium
Single Health Insurance	3	\$ 2,501	22%	\$ (550)	\$ 1,951
Family Health Insurance	2	3,166	34%	(1,076)	2,090
Total Pro Forma Monthly Premium	5	5,667		(1,627)	4,040
Times: 12 Months		12		12	12
Total Annual Pro Forma Premium		\$ 68,002		\$ (19,519)	48,483
Less: Test Year					(62,195)
Employee Pension and Benefits Adjustment					(13,712)
Less: Breathitt District's Proposed Adjustment					13,712
Commission Staff's Proposed Adjustment					\$ -

(J) Purchased Water. In its application Breathitt District reported \$334,036 for the test-year Purchased Water Expense.⁴⁹ Commission Staff reviewed the adjusted trial balance account for Purchased Water and determined the test-year amount should have been \$344,036.⁵⁰ Therefore, in order to reconcile the application with the adjusted trial balance, Commission Staff made an adjustment to increase the Purchased Water Expense by \$10,000.

(K) Purchased Water Normalization. Including Adjustment (J) above, in its test year, Breathitt District reported a purchased water expense of \$344,036.⁵¹ Subsequent to the test year, Breathitt District filed two purchase water adjustment applications in Case Nos. 2022-00194⁵² and 2023-00216⁵³ in which the Commission approved an increase in

⁴⁹ Application, Attachment 5, Statement of Adjusted Operations.

⁵⁰ Breathitt District's Response to Staff's First Request, Item 1b, BCWD_1b_TB_2021.pdf.

⁵¹ Application, Attachment 5, Schedule of Adjusted Operations.

⁵² Case No. 2022-00194, *Electronic Purchased Water Adjustment Filing of Breathitt County Water District* (Ky. PSC July 18, 2022).

⁵³ Case No. 2023-00216, *Electronic Purchased Water Adjustment Filing of Breathitt County Water District* (Ky. PSC July 28, 2023).

retail water rates. Breathitt District provided the total number of gallons⁵⁴ and the current purchased rate for water purchased during the test year.⁵⁵ In order to normalize the purchased water cost, Commission Staff calculated a revised pro forma purchased water expense using the test-year gallons purchased and the new rates. This results in a purchased water expense of \$349,288. Therefore, Commission Staff increased purchased water expense by \$5,252 as shown in Appendix A to this report.

(L) Miscellaneous Expense. In its application, Breathitt District made an error and reported Miscellaneous Expense of \$21,844.⁵⁶ Commission Staff reviewed the 2021 adjusted trial balance and determined Miscellaneous Expense should be reported as \$27,954.⁵⁷ Therefore, as shown in the table below, in order to reconcile the application and the adjusted trial balance in order to correct the mistake, Commission Staff increased Miscellaneous Expense by \$6,110.

⁵⁴ Breathitt District's Response to Staff's First Request , Item 5, BCWD_5_Camptonn_Bills.pdf, BCWD_5_HWY_15_South.pdf, BCWD_5_HWY_30_East.pdf, BCWD_5_HWY_476.pdf, BCWD_5_HWY_52.pdf, BCWD_5_Panbowl.pdf.

⁵⁵ Breathitt District's Response to Staff's First Request, Item 6, BCWD_6_Current_Rate_Charges.pdf.

⁵⁶ Application, Attachment 5, Statement of Adjusted Operations.

⁵⁷ Breathitt District's Response to Staff's First Request, Item 1b, BCWD_1b_TB_2021.pdf.

Miscellaneous Expenses	
766-Bank service charge	\$ 65
779-Dues and subscriptions	80
782-Equipment rental	886
802-Legal and accounting	5,210
803-License and permits	1,782
819-Postage	63
819-Postage:UPS Shipping	265
819-Postage:USPS Stamps	7,690
830-Software Support	1,582
855-Telephone	8,820
857-Uniforms:Estill McIntosh	200
857-Uniforms:Roscoe Noble	200
857-Uniforms:Snapper Strong	176
857-Uniforms:Taheton Stacy	60
861-Equipment	<u>876</u>
Total Corrected Miscellaneous Expenses	27,954
Less: Miscellaneous Expense reported by Breathitt District	<u>(21,844)</u>
Pro Forma Miscellaneous Expense Adjustment	<u>\$ 6,110</u>

(M) Depreciation. In its application, Breathitt District proposed a decrease in Depreciation Expense by \$397,393 to adjust the service lives of assets using the National Association of Regulatory Utility Commissioners (NARUC) titled *Depreciation Practices for Small Water Utilities* (NARUC Study).⁵⁸ To evaluate the reasonableness of the depreciation practices of small water utilities, the Commission has historically relied upon the same NARUC Study published in 1979. When no evidence exists to support a specific life that is outside the NARUC ranges, the Commission has historically used the midpoint of the NARUC ranges to depreciate the utility plant. Upon examination, Commission Staff agrees with Breathitt District's methodology to adjust depreciation expense; however,

⁵⁸ Breathitt District's Response to Staff's First Request, Item 1h, BCWD_1h_SAO_ADJ.xlsx, ADJ_G tab, cell S195.

Commission Staff calculated a depreciation expense amount of \$719,555. Commission Staff found no evidence to support depreciable lives that vary significantly from the midpoint of the NARUC ranges. Therefore, Commission Staff decreased Breathitt District's Depreciation Expense to \$719,555, a difference of \$398,835, which is \$1,442 more than the amount proposed by Breathitt District, as shown below.

Categories	NARUC Service Lives	Test Year Depreciation	Depreciation Adjustment	Pro Forma Depreciation
Group: Meters	30 - 50	4,192	(2,041)	2,151
Group: Office Equipment	20 -25	696	(204.30)	491
Group: Power Operated Equipment	10 - 15	3,556	(1,450.80)	2,106
Group: Vehicle	7	6,610	2,106.44	8,716
Group: Water Lines	50 -75	1,103,336	(397,245)	706,091
Total Depreciation		<u>\$ 1,118,390</u>	(398,835)	<u>\$ 719,555</u>
Less: Breathitt District Proposed Adjustment			<u>397,393</u>	
Commission Staff Proposed Adjustment			<u>\$ (1,442)</u>	

(N) Capitalization of Test- Year Water Connections. In its application, as part of the proposed adjustment for depreciation, Breathitt District proposed an increase in depreciation expense of \$470 to account for the inclusion of new taps depreciated over a 62.5-year service life.⁵⁹ As explained in Adjustment (E) above, the expenses related to the installation of new water connections are capital expenditures that should be capitalized as Utility Plant in Service and depreciated over their estimated useful lives. Therefore, Commission Staff agrees with the methodology proposed. However, Commission Staff proposed to depreciate the new water connections over a 40-year service life in order to align with the NARUC study for the service lives of meters. Therefore, Commission Staff calculated the annual depreciation amount for the test year

⁵⁹ Breathitt District's Response to Staff's First Request, Item 1h, BCWD_1h_SAO_ADJ.xlsx, ADJ_G tab, cell S197.

and increased depreciation expense by \$735, which is \$265 more than proposed by Breathitt District as shown below.

Test Year Water Tap Fees	\$ 29,386
Divided by: Useful Life of 40.0 Years	<u>40.0</u>
Pro Forma Depreciation Adjustment	735
Less: Breathitt District Proposed Adjustment	<u>(470)</u>
Commission Staff Proposed Adjustment	<u><u>\$ 265</u></u>

(O) Taxes Other Than Income. In its application, Breathitt District reported Taxes Other Than Income of \$50,789.⁶⁰ Commission Staff reviewed the 2021 adjusted trial balance and determined that taxes other than income is \$34,741.⁶¹ Therefore, in order to reconcile the application and the adjusted trial balance commission staff reduce Taxes Other Than Income by \$16,048.

(P) Taxes Other Than Income – FICA. In its application, Breathitt District proposed an adjustment to decrease Taxes Other Than Income by \$3 to account for the decrease in payroll taxes due to the proposed decrease in Salaries and Wages Expense.⁶² However, as explained in Adjustments (D) and (F) above, Commission Staff calculated pro forma Salaries and Wages – Employees of \$246,817 and Officers’ Salaries of \$0. Therefore, Commission Staff calculated a decrease to Taxes Other Than Income of \$7,451 as shown below.

⁶⁰ Application, Attachment 5, Statement of Adjusted Operations.

⁶¹ Breathitt District’s Response to Staff’s First Request, Item 1b, BCWD_1b_TB_2021.pdf, Account 848 – School Tax (URGLT) of \$32,236, 849 – Sales Tax of 216, and 850 PSC Tax of 2,289.

⁶² Application, Attachment 5, Adjustment C.

	Staff Pro Forma
Proforma Salaries & Wages - Employees	\$ 246,817
Proforma Salaries & Wages - Officers	<u>-</u>
Total Salaries and Wages	246,817
Times: 7.65 Percent FICA Rate	<u>7.65%</u>
Total FICA Taxes	18,882
Plus: Taxes:846-State Unemployment Tax	668
Plus: Taxes:848-School Tax (URGLT)	32,236
Plus: Taxes:849-Sales Tax	215
Plus: 850-PSC-Tax	<u>2,289</u>
Total Taxes Other Than Income	54,290
Less: Test Year Taxes other Than Income	<u>(61,741)</u>
Taxes Other Than Income Adjustment	(7,451)
Less: Breathitt District's Proposed Adjustment	<u>3</u>
Commission Staff's Proposed Adjustment	<u>\$ (7,448)</u>

OVERALL REVENUE REQUIREMENT AND
REQUIRED REVENUE INCREASE

The Commission has historically applied a Debt Service Coverage (DSC) method to calculate the Overall Revenue Requirement of water districts and water associations.⁶³

This method allows for recovery of (1) cash-related pro forma operating expenses; (2)

⁶³ Case No. 2022-00124, *Electronic Application of Elkhorn Water District for a Rate Adjustment Pursuant to 807 KAR 5:076* (Ky. PSC Oct. 24, 2022). Case No. 2021-00475, *Electronic Application of Carroll County Water District #1 for an Adjustment of Rates Pursuant to 807 KAR 5:076* (Ky. PSC June 28, 2022).

recovery of depreciation expense, a non-cash item, to provide working capital;⁶⁴ (3) the average annual principal and interest payments on all long-term debts; and (4) working capital that is in addition to depreciation expense.

	Breathitt District	Commission Staff	
Pro Forma Operating Expenses	\$ 1,747,311	\$ 1,815,679	
Plus: Avg. Annual Principal and Interest Payments	114,916	114,828	(1)
Additional Working Capital	22,983	22,966	(2)
Total Revenues Requirement	1,885,210	1,953,473	
Less Other Operating Revenue	0	(15,494)	
Interest Income	(182)	(182)	
Non Utility Income	0	(49,300)	
Revenue Required From Water Sales	1,885,028	1,888,497	
Revenue from Sales at Present Rates	(1,201,603)	(1,201,603)	
Required Revenue Increase	<u>\$ 683,425</u>	<u>\$ 686,894</u>	
Percentage Increase	<u>56.88%</u>	<u>57.16%</u>	

1. Average Annual Principal and Interest Payments. At the time of Commission Staff's review, Breathitt District had two outstanding KIA loans⁶⁵ and one outstanding United States Department of Agriculture, Rural Development (RD)

⁶⁴ The Kentucky Supreme Court has held that the Commission must permit a water district to recover its depreciation expense through its rates for service to provide internal funds for renewing and replacing assets. See *Public Serv. Comm'n of Kentucky v. Dewitt Water Dist.*, 720 S.W.2d 725, 728 (Ky. 1986). Although a water district's lenders require that a small portion of the depreciation funds be deposited annually into a debt reserve/depreciation fund until the account's balance accumulates to a required threshold, neither the Commission nor the Court requires that revenues collected for depreciation be accounted for separately from the water district's general funds or that depreciation funds be used only for asset renewal and replacement. The Commission has recognized that the working capital provided through recovery of depreciation expense may be used for purposes other than renewal and replacement of assets. See Case No. 2012-00309, *Application of Southern Water and Sewer District for an Adjustment in Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities* (Ky. PSC Dec. 21, 2012).

⁶⁵ Case No. 2011-00399, *Application of Breathitt County Water District for Authority to Enter into a Loan Agreement with the Kentucky Infrastructure Authority* (Ky. PSC Dec. 27, 2011), Order at 8, ordering paragraph 8. Case No. 2010-00042, *Application of Breathitt County Water District for Authorization to Enter Loan Agreement with Kentucky Infrastructure Authority* (Ky. PSC Feb. 15, 2010), Order at 3, ordering paragraph 1.

waterworks revenue bond.⁶⁶ In its application, Breathitt District requested recovery of the average annual principal and interest on its indebtedness based on an average of the annual principal, and interest and fee payments for the three years following the test year, which is 2022 through 2024.⁶⁷ However, because the statutory date for a final Order to be issued in this proceeding is April 6, 2024, the 2022 and 2023 payments will be recovered through Breathitt District’s existing rates. Therefore, only debt service payments that will be made after the new rates are placed into effect should be considered in determining Breathitt District’s annual interest and fees expense. Commission Staff calculated the average annual principal and interest on a three-year average for the years 2024 through 2026. Commission Staff calculated average annual debt service of \$114,828 as shown below.

2024-2026 Average Annual Debt Service									
Year	KIA F209-05			KIA F11-07			RD Bond		Total
	Principal	Interest	Fees	Principal	Interest	Fees	Principal	Interest	
2024	\$ 13,694	\$ 881	\$ 220	\$ 73,764	\$ 9,172	\$ 2,293	\$ 7,500	\$ 7,563	\$ 115,088
2025	13,831	744	186	74,504	8,433	2,108	7,500	7,357	114,662
2026	13,970	605	151	75,250	7,686	1,922	8,000	7,150	114,734
Totals	\$ 41,495	\$ 2,229	\$ 557	\$ 223,518	\$ 25,292	\$ 6,323	\$ 23,000	\$ 22,070	344,484
Divide by: 3 years									3
Average Annual Interest Payment									\$ 114,828

2. Additional Working Capital. The DSC method, as historically applied by the Commission, includes an allowance for additional working capital that is equal to the minimum net revenues required by a district’s lenders that are above its average annual

⁶⁶ Case No. 2009-00183, Application of Breathitt County Water District for a Certificate of Public Convenience and Necessity to Construct and Finance Pursuant To the Provisions of KRS 278.023 (Ky. PSC June 9, 2009), Order at 2, ordering paragraph 3.

⁶⁷ Application, Attachment 6, Revenue Requirement Calculation – Debt Coverage Method.

debt payments. In its application, Breathitt District requested recovery of an allowance for working capital that is equal to 120 percent of its average annual debt payments for its Waterworks Revenue Bond and KIA Loans at the time of its application.

Following the Commission’s historic practice, Commission Staff agrees with Breathitt District. Therefore, as calculated below and shown in the table above, \$22,966 is included in the revenue requirement.

Average Annual Principal and Interest	\$ 114,828
Times: DSC Coverage Ratio	<u>120%</u>
 Total Net Revenues Required	 137,794
Less: Average Annual Principal and Interest Payments	<u>(114,828)</u>
 Additional Working Capital	 <u><u>\$ 22,966</u></u>

Signatures

/s/ William Foley

Prepared by: William Foley
Revenue Requirement Branch
Division of Financial Analysis

/s/ Jason Green

Prepared by: Jason Green
Rate Design Branch
Division of Financial Analysis

APPENDIX A

APPENDIX TO COMMISSION STAFF'S REPORT OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 2022-00136 DATED OCT 27 2023

City of Campton		Purchased Water														
				City of Jackson												
		Hwy 15 South		Hwy 30 East		Hwy 30 West		Hwy 476		Hwy 52		Panbowl		Total		
Period	Gallons Purchased	Sub-Total	Gallons Purchased	Sub-Total	Gallons Purchased	Sub-Total	Gallons Purchased	Sub-Total	Gallons Purchased	Sub-Total	Gallons Purchased	Sub-Total	Gallons Purchased	Sub-Total	Total	
Jan-2020	16,200	\$ 53.78	610,000	\$ 2,538	732,000	\$ 3,045	4,336,000	\$ 18,038	434,000	\$ 1,805.44	846,000	\$3,519.36	342,000	\$1,422.72	30,421.78	
Feb-2020	11,000	36.52	624,000	2,596	624,000	2,596	4,033,000	16,777	434,000	1,805.44	927,000	3,856.32	342,000	1,422.72	29,089.96	
Mar-2020	10,900	36.19	459,000	1,909	772,000	3,212	4,019,000	16,719	456,000	1,896.96	830,000	3,452.80	341,000	1,418.56	28,644.51	
Apr-2020	12,300	40.84	74,000	308	643,000	2,675	3,942,000	16,399	481,000	2,000.96	851,000	3,540.16	319,000	1,327.04	26,290.44	
May-2020	11,400	37.85	741,000	3,083	646,000	2,687	3,790,000	15,766	466,000	1,938.56	988,000	4,110.08	324,000	1,347.84	28,970.65	
Jun-2020	11,500	38.18	755,000	3,141	794,000	3,303	3,874,000	16,116	516,000	2,146.56	1,033,000	4,297.28	329,000	1,368.64	30,410.34	
Jul-2020	9,800	32.54	720,000	2,995	699,000	2,908	3,528,000	14,676	516,000	2,146.56	866,000	3,602.56	337,000	1,401.92	27,763.10	
Aug-2020	9,800	32.54	745,000	3,099	782,000	3,253	3,819,000	15,887	516,000	2,146.56	957,000	3,981.12	315,000	1,310.40	29,709.98	
Sep-2020	5,300	17.60	642,000	2,671	702,000	2,920	3,232,000	13,445	516,000	2,146.56	1,068,000	4,442.88	385,000	1,601.60	27,244.80	
Oct-2020	7,900	26.23	679,000	2,825	658,000	2,737	3,611,000	15,022	516,000	2,146.56	963,000	4,006.08	354,000	1,472.64	28,235.19	
Nov-2020	7,000	23.24	683,000	2,841	701,000	2,916	4,431,000	18,433	500,000	2,080.00	918,000	3,818.88	316,000	1,314.56	31,427.08	
Dec-2020	9,100	30.21	593,000	2,467	683,000	2,841	4,547,000	18,916	500,000	2,080.00	819,000	3,407.04	322,000	1,339.52	31,080.45	
		122,200	406	7,325,000	30,472	8,436,000	35,094	47,162,000	196,194	5,851,000	24,340	11,066,000	46,035	4,026,000	16,748	
															Total Purchased Water Expense	349,288
															Less: Test Year Purchased Water	(344,036)
															Pro Forma Purchsed Water Adjustment	<u>\$ 5,252</u>

APPENDIX B

APPENDIX TO COMMISSION STAFF'S REPORT OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00136 DATED OCT 27 2023

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

Monthly Water Rates

5/8- x 3/4-Inch

First	2,000	Gallons	\$46.61 Minimum Bill
Over	2,000	Gallons	0.02331 Per Gallon

Wholesale

First	10,000	Gallons	\$233.06 Minimum Bill
Next	190,000	Gallons	0.01409 Per Gallon
Over	200,000	Gallons	0.01191 Per Gallon

Nonrecurring Charges

Connection/Turn-On Charge	\$18.00
Connection/Turn-on Charge (After Hours)	\$44.00
Meter Test Charge	\$40.00
Reconnection Charge	\$18.00
Reconnection Charge (After Hours)	\$57.00
Returned Check Charge	\$5.00
Service Call/Investigation	\$18.00
Service Call/Investigation (After Hours)	\$57.00
Meter Relocation Charge	Actual Cost
Repair to Meter, Meter Lid, or Setter	Actual Cost

APPENDIX C

APPENDIX TO COMMISSION STAFF'S REPORT OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00136 DATED OCT 27 2023

* Denotes Rounding

Adjustments to Nonrecurring Charges

	Connection/Turn-On Charge	
	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials		
Field Labor (\$17.00 at 1.5 hours)	\$ 25.50	\$ -
Office Supplies	\$ -	\$ -
Office Labor (\$18.50 at 0.3 hours)	\$ 6.17	\$ -
Transportation	\$ 18.40	\$ 18.40
Misc.	\$ -	\$ -
		\$
Total Revised Charge*	\$ 50.07	18.00
Current Rate	\$ 25.00	

	Connection/Turn-On Charge (After Hours)	
	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials		
Field Labor (\$17.00 at 1.5 hours)	\$ 25.50	\$ 25.50
Office Supplies	\$ -	\$ -
Office Labor (\$18.50 at 0.3 hours)	\$ 6.17	\$ -
Transportation	\$ 18.40	\$ 18.40
Misc.	\$ -	\$ -
	\$	\$
Total Revised Charge*	50.07	44.00
Current Rate	\$ 50.00	

	Reconnection Charge	
	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials		

Field Labor (\$17.00 at 1.5 hours)	\$ 25.50	\$ -
Office Supplies	\$ -	\$ -
Office Labor (\$18.50 at 0.3 hours)	\$ 6.17	\$ -
Transportation	\$ 18.40	\$ 18.40
Misc.	\$ -	\$ -
Total Revised Charge*	\$ 50.07	\$ 18.00
Current Rate	\$ 50.00	

Reconnection Charge (After Hours)

	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials		
Field Labor (\$25.50 at 1.5 hours)	\$ 38.25	\$ 38.25
Office Supplies	\$ -	\$ -
Office Labor (\$18.50 at 0.3 hours)	\$ 6.17	\$ -
Transportation	\$ 18.40	\$ 18.40
Misc.	\$ -	\$ -
Total Revised Charge	\$ 62.82	\$ 57.00
Current Rate	\$ 65.00	

Service Call/Investigation

	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials		
Field Labor (\$17.00 at 1.5 hours)	\$ 25.50	\$ -
Office Supplies	\$ -	\$ -
	\$	\$
Office Labor (\$18.50 at 0.3 hours)	6.17	-
	\$	\$
Transportation	18.40	18.40
	\$	\$
Misc.	-	-
Total Revised Charge*	\$ 50.07	\$ 18.00
Current Rate	\$ 25.00	

Service Call/Investigation (After Hours)

	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials		
Field Labor (\$25.50 at 1.5 hours)	\$ 38.25	\$ 38.25
Office Supplies	\$ -	\$ -
Office Labor (\$18.50 at 0.3 hours)	\$ 6.17	\$ -

Transportation	\$ 18.40	\$ 18.40
Misc.		
Total Revised Charge	<u>\$ 62.82</u>	<u>\$ 57.00</u>
Current Rate	\$ 50.00	

	Returned Check Charge	
	<u>Utility Revised Charge</u>	<u>Staff Revised Charge</u>
Field Materials		
Field Labor (\$25.50 at 1.5 hours)	\$ -	\$ -
Office Supplies	\$ -	\$ -
Office Labor (\$18.50 at 1 hours)	\$ 18.50	\$ -
Transportation	\$ -	\$ -
Misc. (Bank Fee)	\$ 5.00	\$ 5.00
Total Revised Charge	<u>\$ 23.50</u>	<u>\$ 5.00</u>
Current Rate	\$ 30.00	

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