

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF EDMONSON)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE)	2023-00037
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On February 13, 2023, Edmonson County Water District (Edmonson District) filed its application with the Commission requesting an adjustment to its sewer rates pursuant to 807 KAR 5:076. Edmonson District filed this proceeding in compliance with the final Order in Case No. 2021-00463.¹ In that proceeding, Edmonson District was ordered to file an application by February 14, 2023, for either a traditional adjustment in rates or for an alternative rate adjustment (ARF) to ensure its revenue is sufficient to support adequate and reliable service.

The Commission finds that a procedural schedule² should be established to ensure the orderly review of Edmonson District's application. The procedural schedule is attached as Appendix A to this Order.

In addition, Edmonson District shall file on or before the date set forth in the procedural schedule its responses to the Commission Staff's First Request for

¹ See Case No. 2021-00463, *Electronic Application of Edmonson County Water District to Issue Securities for the Purpose of Refinancing Certain Outstanding Obligations of the District Pursuant to the Provisions of KRS 278.300 and 807 KAR 5:001* (Ky. PSC Feb 3, 2022) at 10, paragraph 6.

² No action is necessary to suspend the effective date of Edmonson District's proposed rates for service. Pursuant to 807 KAR 5:076, Section 7(1), an applicant who applies for a rate adjustment pursuant to the procedures set for in 807 KAR 5:076 may not place its proposed rates into effect until the Commission approves those rates or six months from the date of the filing of its application.

Information, attached to this Order as Appendix B, and shall respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A to this Order shall be followed.

2. On or before the date set forth in the procedural schedule, Edmonson District shall file its responses to the Commission Staff's First Request for Information, attached to this Order as Appendix B.

3. Edmonson District shall respond to any additional requests for information propounded by Commission Staff as provided in those requests.

4. No later than the date set forth in the procedural schedule, Commission Staff shall file with the Commission and serve upon all parties of record a written report (Commission Staff's Report) containing its findings and recommendations regarding Edmonson District's requested rate adjustment.

5. No later than 14 days after the date of service of the Commission Staff's Report, each party of record shall file with the Commission:

a. Its written comments on and any objections to the findings contained in the Commission Staff's Report; and

b. Any additional evidence for the Commission to consider.

6. If Commission Staff recommends that Edmonson District's financial condition supports a higher rate than Edmonson District proposes or the assessment of an additional rate or charge not proposed in Edmonson District's application, Edmonson

District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should authorize the assessment of the higher rate or the additional rate or charge.

7. If Commission Staff recommends that changes should be made to the manner in which Edmonson District accounts for the depreciation of Edmonson District's assets, Edmonson District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require Edmonson District to implement the proposed change for accounting purposes.

8. A party's failure to file written objections to a recommendation contained in the Commission Staff's Report within 14 days after the date of the filing of the Commission Staff's Report shall be deemed a waiver of all objections to that finding.

9. If a party requests a hearing or informal conference, then the party shall make the request in its written comments and state the reason why a hearing or informal conference is necessary.

10. A party's failure to request a hearing or informal conference in the party's written response shall be deemed a waiver of all rights to a hearing on the application and a request that the case stand submitted for decision.

11. A party's failure to file a written response within 14 days after the date of service of the Commission Staff's Report shall be deemed a waiver of all rights to a hearing on the application.

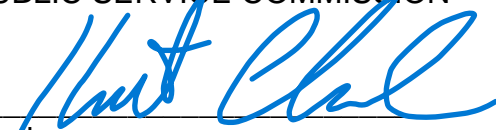
12. As set forth in 807 KAR 5:001E, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2)

that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of sewer consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest. In addition, any motion to intervene filed after the date established in the procedural schedule attached as Appendix A to this Order shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

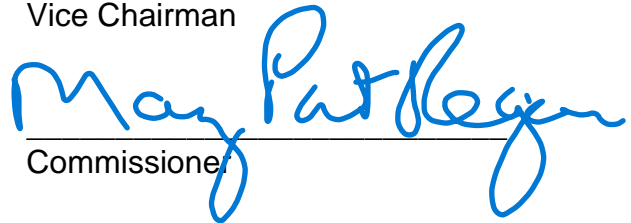
13. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085³ regarding filings with the Commission.

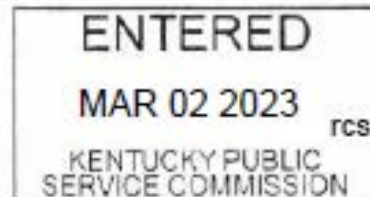
³ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00037 DATED MAR 02 2023

Requests for intervention shall be filed no later than 03/20/2023

Intervenor requests for information to
Edmonson District shall be filed no later than.....03/27/2023

Edmonson District shall file responses to all requests
for information no later than 04/10/2023

All supplemental requests for information to
Edmonson District shall be filed no later than 04/24/2023

Edmonson District shall file responses to supplemental
requests for information no later than 05/08/2023

Commission Staff's Report shall be filed no later than..... 06/07/2023

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00037 DATED MAR 02 2023

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EDMONSON COUNTY WATER DISTRICT

Edmonson County (Edmonson District), pursuant to 807 KAR 5:001E, is to file with the Commission an electronic version of the following information. The information requested is due on April 10, 2023. The Commission directs Edmonson District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Edmonson District shall make timely amendment to any prior response if Edmonson District obtains information that indicates the response was incorrect or

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).

incomplete when made or, though correct when made, is now incorrect or incomplete in any material respect.

For any request to which Edmonson District fails or refuses to furnish all or part of the requested information, Edmonson District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Edmonson District shall, in accordance with 807 KAR 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible:

a. The general ledger for the calendar years 2021 and 2022; and the trial balance for the calendar years 2021 and 2022.

b. Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years 2021 and 2022.

c. Minutes from Edmonson District's commissioner meetings for the calendar years 2020, 2021, and 2022.

d. Insurance policies for 2021 and 2022, if available.

e. Hours worked by each employee for the calendar years 2021 and 2022.

f. A document listing the names, job titles, job description, and pay rates for each employee during the test year and for those currently employed.

g. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

h. A document listing the name of all commissioners for each of the five previous years, and state, individually, the total amount of each benefit paid to, or on the behalf of, each commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.).

i. Refer to the Application, 04_SAO_and_Rev_Reqmt.pdf, References. Provide all workpapers used to generate the proposed adjustments A-K.

j. Refer to Adjustment D. Provide a list of each division and include the number of Customers within each division.

2. Provide the calculations used to determine the allocation of expenses to Edmonson Sewer Division.

3. Provide a breakdown for the number of board meetings each commissioner attended during the test year.

4. Provide a copy of the most recent invoice received for all insurance policies provided to employees.

5. Confirm whether Edmonson District participates in the County Employee Retirement System.

6. Identify the number of new sewer connections that Edmonson District installed in calendar years 2021 and 2022.

7. Refer to the Application, 04_SAO_and_Rev_Reqmt.pdf, Operating Revenues. Provide a detailed breakdown of the items totaling Other Sewer Revenues.

8. Provide the number of occurrences for which late fees were assessed and the total revenue during the calendar years; 2021 and 2022.

9. Provide the number of occurrences for which Service Call/Investigation fees were assessed and the total revenue during the calendar years; 2021 and 2022.

10. Provide the number of occurrences for which reconnect charges were assessed and the total revenue during the calendar years; 2021 and 2022.

11. Provide the number of occurrences for which meter test charges were assessed and the total revenue during the calendar years; 2021 and 2022.

12. Provide the number of occurrences for which return check charges were assessed and the total revenue during the calendar years; 2021 and 2022.

13. Provide a copy of the most recent cost-of-service-study (COSS) performed for Edmonson District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

a. State the last time Edmonson District performed a COSS to review the appropriateness of its current rates and rate design.

b. Explain whether Edmonson District considered filing a COSS with the current rate application and the reasoning for not filing one.

c. Explain whether any material changes to Edmonson District's system would cause a new COSS to be prepared since the last time it has completed one.

d. If there have been no material changes to Grant Sewer District's system, explain when Edmonson District anticipates completing a new COSS.

14. Refer to Edmonson District's Application, Current Billing Analysis.

a. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

b. Provide a list of applicable adjustments made to the billing analysis and include an explanation of each adjustment.

c. Provide the date that Edmonson District's meter-reading billing cycle begins.

d. State if the date that the billing cycle begins is the date that would best be stated as the effective date of any Order the Commission issues concerning rates in this case.

*Alan Vilines
Kentucky Rural Water Association
Post Office Box 1424
1151 Old Porter Pike
Bowling Green, KENTUCKY 42102-1424

*Edmonson County Water District
1128 Highway 259N
P. O. Box 208
Brownsville, KY 42210

*Tony Sanders
Edmonson County Water District
P. O. Box 208
Brownsville, KY 42210