

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MEADE	)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE	)	2023-00039
ADJUSTMENT PURSUANT TO 807 KAR 5:076	)	

ORDER

On February 10, 2023, Meade County Water District (Meade District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. Meade District filed this proceeding in compliance with the final Order in Case No. 2022-00409.<sup>1</sup> In Case No. 2022-00409, Meade District was ordered<sup>2</sup> to file an application by April 13, 2024, 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 schedule<sup>3</sup> should be established to ensure the orderly review of Meade District's application. The procedural schedule is attached as an Appendix A to this Order.

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<sup>1</sup> See Case No. 2022-00409, *Electronic Purchased Water Adjustment Filing of Meade County Water District*.

<sup>2</sup> See Case No. 2022-00409, Dec. 20, 2022 final Order.

<sup>3</sup>No action is necessary to suspend the effective date of Meade 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.

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

3. Meade 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 Meade 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 Meade District's financial condition supports a higher rate than Meade District proposes or the assessment of an additional

rate or charge not proposed in Meade District's application, Meade 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 Meade District accounts for the depreciation of Meade District's assets, Meade District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require Meade 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 water 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 an Appendix 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. 2020-00085<sup>4</sup> regarding filings with the Commission.

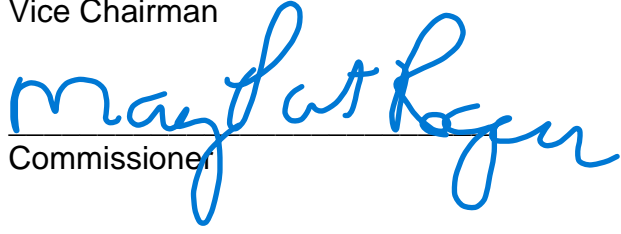
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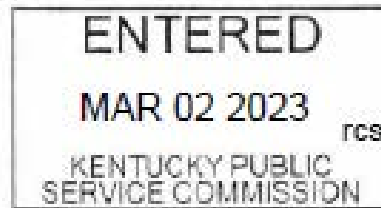
<sup>4</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

PUBLIC SERVICE COMMISSION

  
Chairman

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Vice Chairman

  
Commissioner



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00039 DATED MAR 02 2023

Requests for intervention shall be filed no later than .....03/06/2023

All requests for information to Meade District  
shall be filed no later than .....03/13/2023

Meade District shall file responses to requests  
for information no later than .....04/03/2023

All supplemental requests for information to  
Meade District shall be filed no later than.....04/17/2023

Meade District shall file responses to supplemental  
requests for information no later than .....05/01/2023

Commission Staff's Report shall be filed no later than.....06/28/2023

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00039 DATED MAR 02 2023

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

Meade County Water District (Meade 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 3, 2023. The Commission directs Meade District to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> 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.

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

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<sup>1</sup> 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).

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

For any request to which Meade District fails or refuses to furnish all or part of the requested information, Meade 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, Meade 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 fully accessible and unprotected.

a. The general ledger in Excel spreadsheet format for the years ended December 31, 2020, 2021, and 2022.

b. The trial balance in Excel spreadsheet format for the years ended December 31, 2020, 2021, and 2022.

c. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2021 and 2022.



d. Provide a description of all employee benefits, other than salaries and wages, paid to or on behalf of each employee for the calendar years 2020, 2021, and 2022. Supplemental coverage for which the employee pays 100 percent of the cost should also be included.

e. Provide a copy of one invoice for 2022 for each employee benefit described above.

f. Using a table format, provide an Excel document that states the number of positions, a description of the job titles, hours worked, pay rates, total wages paid, and total FICA cost for each Meade District employee on December 31, 2020, December 31, 2021, and pro forma. Include the date the employee was hired and, if applicable, the employee's termination date. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant. A total column that includes total wages by employee (regular wages and overtime) should be provided.

g. Using the same table that lists each position and wage information, list each employee benefit (medical, dental, life, others), the employee's contribution, the employer premium contribution, and the adjustment based on Bureau of Labor Statistics (BLS) contribution rates. If health insurance is provided designate the coverage type (i.e., single, family, couple, or parent plus). If benefits other than medical insurance are provided, include a total column for the cost of all benefits excluding the BLS adjustment.

h. Provide a PDF of the BLS report on which item g is based.

i. Provide the minutes from Meade District's Board of Commissioners meetings for the calendar years 2020, 2021, and 2022.

j. Provide a document listing the names of all of Meade District's Commissioners for each calendar year 2020, 2021, 2022, and year to date 2023 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.), their term (beginning and ending), and current compensation.

k. Provide the date of the fiscal court minutes that authorizes each commissioner's appointment and compensation.

l. Provide training records for each commissioner for 2020, 2021, and 2022.

2. Refer to Meade District's Application, Attachment #5, Schedule of Adjusted Operations (SAO) and Revenue Requirements and References.

a. Provide the workpapers that support each pro forma adjustment described in the References (A through K) in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

b. Provide a reconciliation of commissioner compensation by individual to reported 2021 compensation of \$30,000 on page 50 of the annual report.

3. Provide the number of gallons of water purchased, the cost of purchases, and the average cost of purchases for each supplier and in total for the years ended December 31, 2020, 2021, and 2022.

4. Provide the number of gallons of water sold in 2022.

5. Refer to Application, attachment 08\_Depreciation\_Schedule.pdf.

a. State whether System No. 276, “139 meters set,” with a date in service of December 31, 2021, and cost of \$132,050 includes capitalized internal labor.

b. Provide a copy of the journal entry to capitalize the \$132,050 referred to above.

6. Provide the number of occurrences and the dollar amount for late fees that were assessed during the calendar years 2018, 2019, 2020, 2021, and 2022.

7. Provide the total amount collected for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was assessed during the calendar years, 2018, 2019, 2020, 2021 and 2022.

8. Provide an updated cost justification sheets for all nonrecurring charges listed in Meade District’s current tariff.

9. Provide a copy of Meade District’s current and proposed billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

10. Provide support for Meade District’s billing adjustments of \$109,086 for the current billing analysis, and \$111,955 for the billing analysis with proposed rates.

11. a. Provide the date that Meade District’s billing cycle begins (meter read date).

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

12. State the last time Meade District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

- a. Explain whether Meade District considered filing a COSS with the current rate application and the reasoning for not filing one.
- b. Explain whether any material changes to Meade District's system would cause a new COSS to be prepared since the last time it has completed one.
- c. If there have been no material changes to Meade District's system, explain when Meade District anticipates completing a new COSS.
- d. Provide a copy of the most recent COSS that has been performed for Meade District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

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