

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF HARDIN	)	
COUNTY WATER DISTRICT NO. 1 FOR AN	)	CASE NO.
ADJUSTMENT OF THE RADCLIFF SEWER	)	2023-00242
SYSTEM RATES FOR SEWER SERVICE	)	
PURSUANT TO 807 KAR 5:076	)	

ORDER

On August 21, 2023,<sup>1</sup> Hardin County Water District No. 1 (Hardin District No. 1) filed its application with the Commission requesting to adjust its sewage rates pursuant to 807 KAR 5:076. Hardin County District No. 1 filed this application in response to the Commission’s February 10, 2023 Order in Case No. 2022-00410.<sup>2</sup> In that proceeding, the Commission granted Hardin County District No. 1’s request for a deviation from 807 KAR 5:076 and allowed Hardin County District No.1 to use the alternative rate filing procedure in 807 KAR 5:076, Section 2, for an adjustment to its presents rates for the Radcliff Wastewater System.

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<sup>1</sup> Hardin District No. 1 tendered its application on August 21, 2023. The Commission found no deficiencies and the application is deemed filed on August 21, 2023.

<sup>2</sup> See Case No. 2022-00410, *Electronic Application of Hardin County Water District No. 1 for a Declaratory Order Regarding the Use of the Procedures Set Forth in 807 KAR 5:076 to Apply for an Adjustment of the Rates of its Radcliff Wastewater System for Sewer Service, Or in the Alternative, a Deviation from 807 KAR 5:076, Section 2(1)* (Ky. PSC Feb. 10, 2023).

The Commission finds that a procedural schedule<sup>3</sup> should be established to ensure the orderly review of Hardin District No. 1's application. The procedural schedule is attached as Appendix A to this Order.

In addition, Hardin District No. 1 shall file on or before the date set forth in the procedural schedule its responses to the Commission Staff's 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, Hardin District No. 1 shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.
3. Hardin District No. 1 shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, 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

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<sup>3</sup>No action is necessary to suspend the effective date of Hardin District No. 1'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.

(Commission Staff's Report) containing its recommendations regarding Hardin District No. 1'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 and recommendations contained in the Commission Staff's Report; and

b. Any additional evidence for the Commission to consider.

6. If Commission Staff finds that Hardin District No. 1's financial condition supports a higher rate than Hardin District No. 1 proposes or the assessment of an additional rate or charge not proposed in Hardin District No. 1's application, Hardin District No. 1 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 finds that changes should be made to the manner in which Hardin District No. 1 accounts for the depreciation of Hardin District No. 1's assets, Hardin District No. 1 in its response to the Commission Staff's Report, Hardin District No. 1 shall also state its position in writing on whether the Commission should require Hardin District No. 1 to implement the proposed change for accounting purposes.

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

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 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 5:001, 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 the utility 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.

13. 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.

14. 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

  
Vice Chairman

  
Commissioner

ENTERED  
SEP 22 2023 rcs  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00242 DATED SEP 22 2023

Requests for intervention shall be filed no later than ..... 10/03/2023

All requests for information to Hardin District No. 1  
shall be filed no later than ..... 10/10/2023

Hardin District No. 1 shall file responses to requests  
for information no later than ..... 10/24/2023

All supplemental requests for information to  
Hardin District No. 1 shall be filed no later than ..... 11/07/2023

Hardin District No. 1 shall file responses to supplemental  
requests for information no later than ..... 11/21/2023

Commission Staff's Report shall be filed no later than..... 01/09/2024

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00242 DATED SEP 22 2023

#### COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO HARDIN COUNTY WATER DISTRICT NO. 1

Hardin County Water District No. 1 (Hardin District No. 1), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on October 24, 2023. The Commission directs Hardin District No. 1 to the Commission's July 22, 2021, Order in Case No. 2020-00085<sup>5</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.

Hardin District No. 1 shall make timely amendment to any prior response if Hardin District No. 1 obtains information that indicates the response was incorrect or incomplete

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<sup>5</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).



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

For any request to which Hardin District No. 1 fails or refuses to furnish all or part of the requested information, Hardin District No. 1 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, Hardin District No. 1 shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide the following information related to billing software:
  - a. Brand or common name for software.
  - b. State whether the software is locally installed on a Hardin District No. 1-owned computer or is a subscription service that is internet based.
  - c. If locally installed, state the installation date.
  - d. State whether the system is still serviced by the manufacturer and whether Hardin District No. 1 maintains a service contract.
  - e. Provide the dates of the most recent training that Hardin District No. 1 users received on the system.

2. Provide the number of occurrences and the dollar amount for Forfeited Discounts/Late Fees that were recorded during the test year and 2023 to the date responses are filed.

3. Provide a schedule listing the number of occurrences for each nonrecurring charge that was assessed during the test year and the total amount recorded for each nonrecurring charge. If the revenue for any nonrecurring charge was zero, include that charge and indicate that zero revenue was received.

4. Provide an updated cost justification sheet for each nonrecurring charge listed in Hardin District No. 1's tariff.

5. Provide an updated cost justification sheet for each Sewer Connection/Tap-on Fee listed in Hardin District No. 1's tariff.

6. Refer to Hardin District #1's current tariff dated September 15, 2014, Article VII, Sewage Service Rates and Policies, Section 1, Billing Policies, Item D, Billing, on pages 27 and 28 (Sheet 5-35).

a. Provide the date that Hardin District No. 1 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.

7. State the last time Hardin District No. 1 performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether Hardin District No. 1 considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to Hardin District No. 1 system would cause a new COSS to be prepared since the last time it completed one.

c. If there have been no material changes to Hardin District No. 1 system, explain when Hardin District No. 1 anticipates completing a new COSS.

d. Provide a copy of the most recent COSS that has been performed for Hardin District No. 1 system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

8. Refer to the Application, Attachment 5, the Billing Analysis. Provide the billing analysis in the ARF Form 1 Attachment BA-DB - Billing Analysis Form - Declining Block Rates Instructions, Sample. Provide in Excel Spreadsheet format with all formulas, rows and columns unprotected and fully accessible.

9. Refer to Attachment 3, Statement of Adjusted Operations. Provide the workpapers that support each pro forma adjustment described in the Schedule of Adjusted Operations References in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

a. Provide invoices from software provider to support adjustment B.

b. Provide updated quote from Insurance Broker to support adjustment D.

c. Provide invoices from vendors/suppliers to support adjustment E.

d. Provide invoices from utility suppliers to support adjustment I.

10. 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. Employee names should be redacted from all documents.

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

b. Provide a copy of one invoice for 2023 for each employee benefit described above.

11. Provide the minutes from Commissioner meetings for the calendar years 2022, and year to date 2023.

12. Provide a document listing the names of each member of the board of commissioners for each of the calendar year 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 authorized annual compensation.

13. Provide fiscal court minutes that authorize each commissioner's appointment and compensation.

14. Provide training records for each commissioner for 2021, 2022, and year to date 2023.

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