

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WESTERN	)	
PULASKI COUNTY WATER DISTRICT FOR THE	)	
ISSUANCE OF A CERTIFICATE OF PUBLIC	)	
CONVENIENCE AND NECESSITY TO	)	CASE NO.
CONSTRUCT A WATER SYSTEM	)	2021-00417
IMPROVEMENTS PROJECT PURSUANT TO	)	
THE PROVISIONS OF KRS 278.020 AND 807	)	
KAR 5:001	)	

ORDER

On November 24, 2021, Western Pulaski County Water District (Western Pulaski District) filed an application, pursuant to KRS 278.020 and 807 KAR 5:001 requesting a Certificate of Public Convenience and Necessity to construct 2,400 linear feet of 12-inch ductile iron water transmission main and appurtenances to replace existing 8-inch and 6-inch waterlines along Kentucky Highway 80 right-of-way. Western Pulaski District stated it will finance this project with funds remaining from a \$3,304,000 Kentucky Infrastructure Authority (KIA) Fund F loan and funds remaining from a \$1,146,000 KIA Fund B loan.

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

In addition, Western Pulaski District should file on or before February 18, 2022, its responses to the Commission Staff's First Request for Information, attached to this Order as Appendix B.

IT IS THEREFORE ORDERED that:

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

2. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission.

3. 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. Further, KRS 278.040(2) requires that a person seeking intervention must have an interest in the rates or service of a utility, as those are the only matters that are subject to the Commission's jurisdiction. 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 that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the

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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).

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 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.

4. Western Pulaski District shall give notice of any scheduled hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, [psc.ky.gov](http://psc.ky.gov)"; and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listing on the PSC website, [psc.ky.gov](http://psc.ky.gov)." At the time publication is requested, Western Pulaski District shall forward a duplicate of the notice and request to the Commission.

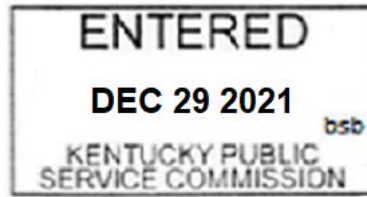
5. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

6. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

7. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

8. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00417 DATED DEC 29 2021

- Requests for intervention shall be filed no later than .....01/25/2022
- All initial requests for information to Western Pulaski District shall be filed no later than .....02/04/2022
- Western Pulaski District shall file responses to initial requests for information no later than .....02/18/2022
- All supplemental requests for information to Western Pulaski District shall be filed no later than .....03/11/2022
- Western Pulaski District shall file responses to supplemental requests for information no later than .....03/25/2022
- Intervenor testimony, if any, in verified prepared form shall be filed no later than.....04/01/2022
- All requests for information to Intervenors shall be filed no later than.....04/14/2022
- Intervenors shall file responses to requests for information no later than.....04/28/2022
- Western Pulaski District shall file, in verified form, its rebuttal testimony no later than.....05/05/2022
- Last day for Parties to request a Public Hearing or submit a request for the matter be decided based upon the written record.....05/10/2022

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00417 DATED DEC 29 2021

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

Western Pulaski County Water District (Western Pulaski District), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on February 18, 2022. The Commission directs Western Pulaski District to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>2</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.

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

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<sup>2</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 when made, is now incorrect in any material respect. For any request to which Western Pulaski District fails or refuses to furnish all or part of the requested information, Western Pulaski 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 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, Western Pulaski District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Annual Report for Western Pulaski District filed for the calendar year 2020.<sup>3</sup> Western Pulaski District reported in this report a Water Loss Percentage of 27.6693, with the exception of the Water Loss Surcharge being proposed in Case No. 2021-00445.<sup>4</sup> Explain what other steps Western Pulaski District has taken to reduce its amount of water loss over the last five years.

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<sup>3</sup> *Annual Report of Western Pulaski District to the Public Service Commission for the Year Ended December 31, 2020* at 58.

<sup>4</sup> Case No. 2021-00445, *Electronic Application of Western Pulaski County Water District for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076* (filed Dec. 7, 2021).

2. Refer to the final Order in Case No. 2020-00331,<sup>5</sup> page 2, in which it notes that Western Pulaski District repaired approximately 252 water leaks during the calendar year of 2019. Provide the number of water leaks repaired for the calendar years 2017, 2018, 2020, and 2021 to date.

3. Refer to the final Order in Case No. 2020-00331, page 2—the section detailing the number of meters currently out of compliance to Commission regulations.

a. Provide the current total number of meters that are out of compliance with Commission regulations.

b. Provide the number of meters Western Pulaski District has replaced with radio read meters.

c. Provide the number of meters that still must be replaced by the radio read meters.

4. Refer to the Application, Exhibit C, Letters from Kentucky Infrastructure Authority (KIA). Provide all documents relied upon for the approximate dollar amount stated in the May 11, 2021 letters for the DWSRF Request to use Residual Funds, F16-003 (F16-003 KIA Loan), in the amount of \$370,000 and the Fund B Request to use Residual Funds, B20-004 (B20-004 KIA Loan), in the amount of \$240,000.

5. Refer to the Application, Exhibit E, Final Project Budget. Reconcile Project Financing stated in this exhibit with the dollar amounts stated in the Exhibit C Letters.

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<sup>5</sup> Case No. 2020-00331, *Electronic Application of the Western Pulaski County Water District for the Issuance of a Certificate of Public Convenience And Necessity to Construct a Water System Improvements Project and an Order Authorizing the Issuance of Securities Pursuant to the Provisions of KRS 278.020, KRS 278.300 And 807 KAR 5:001* (Ky. PSC Dec. 17, 2020), final Order at 2.



6. In the final Orders in Case No. 2017-00063,<sup>6</sup> Case No. 2020-00119,<sup>7</sup> and Case No. 2020-00331, the Commission directed Western Pulaski District to submit a report documenting the total cost of each project, including the cost of construction and all other capitalized costs (e.g., engineering, legal, and administrative), within 60 days of the date that construction was substantially completed.<sup>8</sup>

a. Provide the reports documenting the actual construction cost information as requested by the Commission in each case cited.

b. If any of the construction projects have yet to be completed, provide the expected date construction will be completed and documentation to support Western Pulaski District's statement that the proposed construction project will be funded with proceeds from the F16-003 KIA Loan and B20-004 KIA Loan.

7. In the Table below is the calculation of the funds that would be available for the proposed construction project using the final project budgets provided by Western Pulaski District in the cases cited in Item 6. Using the table format below, provide, in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible, the actual construction amounts, KIA Loans, and RD Grants.

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<sup>6</sup> Case No. 2017-00063, *Application of Western Pulaski County Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct a Water Improvements Project and Authorizing the Issuance of Securities for the Purpose of Financing Said Project Pursuant to the Provisions of KRS 278.300 and 807 KAR 5:001* (Ky. PSC Apr. 6, 2017).

<sup>7</sup> Case No. 2020-00119, *Electronic Application of Western Pulaski County Water District for a Certificate of Public Convenience and Necessity to Construct a Water Improvements Project Pursuant to KRS 278.020 and KAR 5:001* (Ky. PSC July 2, 2020).

<sup>8</sup> Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

Final Project Budget

	Phase 1 Case No. 2017-00063	Phase 2 Case No. 2020-00119	Totals Phase 1 and 2	Case No. 2020-00331	Net Funds Available
Construction Cost	\$ 870,430	\$ 1,598,480	\$ 2,468,910	\$ 1,385,875	\$ 3,854,785
Contingency	8,743	353,135	361,878	288,354	650,232
Engineering Design	78,861	129,956	208,817	116,275	325,092
Construction Inspection - Engineering	51,007	79,924	130,931	72,204	203,135
KIA Administration Fee (0.20%)				2,292	2,292
Geotechnical Investigation	19,796		19,796		19,796
Surveying	28,414	1,140	29,554		29,554
Archaeogical Investigation	5,469		5,469		5,469
Environmental Assessment		3,700	3,700		3,700
Admendment to Phase 2		94,992	94,992		94,992
<b>Total Project Costs per Bids</b>	<b>\$ 1,062,720</b>	<b>\$ 2,261,327</b>	<b>\$ 3,324,047</b>	<b>\$ 1,865,000</b>	<b>\$ 5,189,047</b>
F16-003 Loan	\$ 3,304,000		\$ 3,304,000		\$ 3,304,000
B20-004 Loan				\$ 1,146,000	\$ 1,146,000
USDA Rural Development Grant				719,000	719,000
<b>Total Project Funding</b>	<b>\$ 3,304,000</b>		<b>\$ 3,304,000</b>	<b>\$ 1,865,000</b>	<b>\$ 5,169,000</b>
Total Funding	\$ 3,304,000	\$ 2,241,280	\$ 3,304,000	\$ 1,865,000	\$ 5,169,000
Less: Total Project Costs per Bids	(1,062,720)	(2,261,327)	(3,324,047)	(1,865,000)	(5,189,047)
<b>Funds Remaining</b>	<b>\$ 2,241,280</b>	<b>\$ (20,047)</b>	<b>\$ (20,047)</b>	<b>\$ -</b>	<b>\$ (20,047)</b>

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