

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GREEN-)	CASE NO.
TAYLOR WATER DISTRICT FOR A RATE)	2022-00246
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On August 12, 2022, Green-Taylor Water District (Green-Taylor District) filed an application, pursuant to 807 KAR 5:076, in compliance with the Commission’s Order in Case No. 2021-00233.¹ The Commission finds that a procedural schedule² is established to ensure the orderly review of Green-Taylor District’s application. The procedural schedule is attached as Appendix A to this Order. In addition, Green-Taylor 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.

IT IS THEREFORE ORDERED that:

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

¹ Case No. 2021-00233 *Electronic Application of the Green-Taylor Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct and Finance a Water System Improvements Project Pursuant to the Provisions of KRS 278.020, KRS 278.300 AND 807 KAR 5:001* (Ky. PSC Aug. 13, 2021) Order, Ordering paragraph 13.

² No action is necessary to suspend the effective date of Green-Taylor 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.

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

3. 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 Green-Taylor District's requested rate adjustment.

4. No later than 16 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.

5. If Commission Staff finds that Green-Taylor District's financial condition supports a rate other than Green-Taylor District proposes or the assessment of an additional rate or charge not proposed in Green-Taylor District's application, Green-Taylor 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 Commission Staff proposed rate or the additional rate or charge.

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

7. A party's failure to file written objections to a finding contained in the Commission Staff's Report within 16 days after the date of service of the Commission Staff's Report shall be deemed a waiver of all objections to that finding.

8. 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.

9. 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.

10. A party's failure to file a written response within 16 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.

11. 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 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 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.

12. 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. 2022-00246 DATED SEP 02 2022

Requests for intervention shall be filed no later than09/09/2022

Green-Taylor District shall file responses to Commission
Staff's First Request for Information, attached to this
Order as Appendix B no later than.....09/27/2022

All supplemental requests for information to
Green-Taylor District shall be filed no later than 10/18/2022

Green-Taylor District shall file responses to supplemental
requests for information no later than 11/01/2022

Commission Staff's Report shall be filed no later than.....12/12/2022

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00246 DATED SEP 02 2022

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO GREEN-TAYLOR WATER DISTRICT

Green-Taylor Water District (Green-Taylor 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 September 27, 2022. The Commission directs Green-Taylor 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.

Green-Taylor District shall make timely amendment to any prior response if Green-Taylor District obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request

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).

to which Green-Taylor District fails or refuses to furnish all or part of the requested information, Green-Taylor 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, Green-Taylor 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. 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 for the calendar year 2021.
- b. Provide copies of Green-Taylor District's General Liability Insurance, Workers' Compensation Insurance and Automobile Insurance policies for 2021 and 2022.
- c. Provide copies of the invoices (bills) received in 2021 and 2022 for the insurance policies identified in Item 1.b.
- d. Using a table format, provide a document detailing the names, job titles, job description, and pay rates for each Green-Taylor District employee on December 31, 2019, December 31, 2020, December 31, 2021, and for those currently employed in 2022. Include the date the employee was hired and if applicable, the

employee's termination date. Provide the requested table in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

e. Using a table format, provide the regular hours, overtime hours, and other hours (identify) for each employee identified in Green-Taylor District's response to Item 1.d. for the calendar years 2019, 2020, and 2021. Provide the requested table in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

f. Provide a description of all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for the calendar years 2019, 2020, 2021, and 2022.

g. For each employee benefit listed in Green-Taylor District's response to Item 1.f., provide the total monthly premium per employee for each benefit, the employer premium contribution, and the employee premium contribution. Identify for the health insurance benefit provided to each employee the coverage type (i.e.; single, family, couple, or parent plus).

h. Provide the minutes from Green-Taylor District's Board of Commissioners meetings for the calendar years 2020, 2021, and 2022.

i. Provide a document listing the names of all Green-Taylor District's Commissioners for each calendar year 2020, 2021, and 2022, 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.).

j. Provide the Fiscal Court minutes approving each commissioner's appointment and compensation.

2. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year ended December 31, 2021, in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

3. Refer to Green-Taylor District's Application, Attachment 4, Schedule of Adjusted Operations and Revenue Requirements and Attachment 4.a., References.

a. Provide the workpapers that support the pro forma adjustments described in the References page of Attachment 4.a., in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

b. Green-Taylor District proposed to decrease Purchased Water expense by \$66,815 to eliminate two invoices from outside the test-year. Provide legible copies of Green-Taylor's purchased water invoices for the 12-month period of July 1, 2021, through June 30, 2022.

4. Refer to the Application, Attachment 4, Schedule of Adjusted Operations and Revenue Requirements, Attachment 4.a., References, Table A Depreciation Expense Adjustments, and Attachment 7, Depreciation Schedule.

a. In Table A of the Application, the reported test-year depreciation expense is \$362,609, but the test-year depreciation expense in the schedule provided in Attachment 7 is \$349,623. Provide a detailed explanation for the noted differences in Green-Taylor District's test-year depreciation expense.

b. Provide a copy of Green-Taylor District's 2021 Depreciation Schedule in an Excel spreadsheet format with all formulas, columns, and rows

unprotected and fully accessible that supports its reported test-year depreciation expense.

5. Refer to the Application, Attachment 8, Outstanding Debt Instruments, and Attachment 9, Amortization Schedules. For each debt issuance that is still active; provide the case number in which the Commission authorized Green-Taylor District to issue the debt.

6. a. Identify the number of new connections (meters) that Green-Taylor District installed in calendar year 2021.

b. Identify the amount of tap-on fees Green-Taylor District collected in calendar year 2021.

c. Identify the account where Green-Taylor District recorded its tap-on fees.

d. State whether Green-Taylor District keeps a record of the dollar amounts of labor and materials used to install new customer taps. If so, state the amount of labor expense and materials expense for the test year and where it is located in the general ledger. Separately, state the amounts expensed to install each new meter during the test year.

e. Provide revised cost justification sheets to support any changes to the Meter Connection/Tap-on Fee.

7. Provide the number of occurrences for which late fees were assessed during the calendar years 2017, 2018, 2019, 2020, and 2021.

8. Provide the total amount collected for each nonrecurring charge and the number of occurrences for each nonrecurring charge that were assessed during the calendar years, 2017, 2018, 2019, 2020, and 2021.

9. Provide an updated cost justification sheet for each nonrecurring charge listed in Green-Taylor District's tariff.

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

a. Explain whether Green-Taylor District considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to Green-Taylor 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 Green-Taylor District's system, explain when Green-Taylor District anticipates completing a new COSS.

d. Provide a copy of the most recent COSS that has been performed for Green-Taylor District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

11. Refer to Green-Taylor District's Application, Attachment 5, 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 billing adjustments made to the billing analysis and include an explanation of each adjustment.

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