

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JUDY WATER )	CASE NO.
ASSOCIATION, INC. FOR A RATE ADJUSTMENT )	2022-00436
PURSUANT TO 807 KAR 5:076 )	

ORDER

On January 11, 2023,<sup>1</sup> Judy Water Association, Inc. (Judy Water) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. Judy Water filed this proceeding in compliance with the final Order in Case No. 2022-00208.<sup>2</sup> In that proceeding, Judy Water was ordered to file an application by February 12, 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 Judy Water’s application. The procedural schedule is attached as an Appendix A to this Order.

---

<sup>1</sup> Judy Water tendered its application on Jan. 5, 2023. By letter dated Jan. 9, 2023, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on Jan. 11, 2023.

<sup>2</sup> See Case No. 2022-00208, *Electronic Purchased Water Adjustment Filing of Judy Water Association, Inc.* (filed August 12, 2022), Final Order, at page 6.

<sup>3</sup> No action is necessary to suspend the effective date of Judy Water’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, Judy Water 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 additional requests for information propounded by Commission Staff during the pendency of this matter by the due date set forth on 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, Judy Water shall file its responses to the Commission Staff's First Request for Information, attached to this Order as Appendix B.

3. Judy Water 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 Judy Water'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 Judy Water's financial condition supports a higher rate than Judy Water proposes or the assessment of an additional rate or charge not proposed in Judy Water's application, Judy Water, 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 Judy Water accounts for the depreciation of Judy Water's assets, Judy Water in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require Judy Water 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.

13. 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.

14. 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.

15. 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.

---

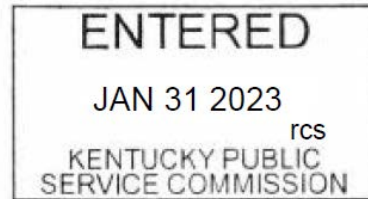
<sup>4</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings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

PUBLIC SERVICE COMMISSION

  
Chairman

\_\_\_\_\_  
Vice Chairman

  
Commissioner



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2022-00436 DATED JAN 31 2023

Requests for intervention shall be filed no later than.....2/8/2023

All Intervenor requests for information to Judy Water  
shall be filed no later than .....2/15/2023

Judy Water shall file all responses to requests  
for information no later than.....3/3/2023

All supplemental requests for information to  
Judy Water shall be filed no later than.....3/17/2023

Judy Water shall file responses to supplemental  
requests for information no later than.....3/31/2023

Commission Staff's Report shall be filed no later than.....4/27/2023

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00436 DATED JAN 31 2023

#### COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO JUDY WATER ASSOCIATION, INC.

Judy Water Association, Inc. (Judy Water), 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 March 3, 2023. The Commission directs Judy Water 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.

Judy Water shall make timely amendment to any prior response if Judy Water 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 to which

---

<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).

Judy Water fails or refuses to furnish all or part of the requested information, Judy Water 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, Judy Water 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 Judy Water'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, Attachment 4, References. Provide all workpapers used to generate the proposed adjustments A-N.

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

3. Provide the total amount of Late Payment Penalties collected and the number of occurrences and annual dollar amounts of late fees assessed during the calendar years ended December 31, 2018, 2019, 2020, 2021, and 2022.

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

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

6. Provide updated cost justification information to support each nonrecurring charge listed in Judy Water's tariff.

7. Provide the number of new tap-ons installed by meter size for 2021.
  - a. State whether Judy Water 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;
  - b. Separately state the amounts expensed to install each meter; and
  - c. Provide updated cost justification information to support the Meter Connection/Tap-On Charges listed in Judy Water's tariff.
8. Provide a monthly breakdown in both gallons and dollar amount, of water purchased during the test year by vendor, identifying all vendors from whom Judy Water purchased water.
9. Provide the current rate charged by each vendor from whom Judy Water purchases water.
10. Provide an overview of any actions planned or taken by Judy Water to reduce its water loss, including a copy of any water loss reduction plan.
11. Refer to Application, JWA\_Note\_5\_amortization\_schedule.pdf, and JWA\_Note\_7\_amortization\_schedule.pdf. For each outstanding debt issuance still active; provide the case number in which Judy Water was authorized to issue the debt.
12. Identify the number and type of new water connections that Judy Water installed in the test year.
13. Refer to the application, Attachment 4, Table A, Depreciation Expense Adjustments. Provide a list of assets used to calculate each individual category of asset.

14. Provide the date when Judy Water last performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether any material changes to Judy Water's system has occurred that would cause a new COSS to be prepared since the date of its most recent COSS.

b. If there have been no material changes to Judy Water's system, explain when a new COSS is anticipated.

15. Refer to Judy Water's Application, Attachment 5, Current Billing Analysis.

a. Provide the source of the 2021 usage data presented in the Billing Analysis and state whether any adjustments were made to the data.

b. Provide a list of any adjustments made to the data and include an explanation of each adjustment.

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

d. Provide the billing register monthly total for each month of the 2021 calendar year for water customers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

16. Refer to Judy Water's Application, Attachment 1, Customer Notice. Judy Water proposes to raise its monthly water service rates by an across-the-board percentage amount.

a. Provide an explanation of how the across-the-board percentage method to increase monthly water service rates was chosen.

b. Provide a list of alternative methods Judy Water considered and an explanation as to why each alternative was not chosen to increase its monthly water service rates.

\*Judy Water Association, Inc.  
2010 Maysville Road  
P. O. Box 781  
Mt. Sterling, KY 40353-0781

\*Billy Ray Fawns  
Judy Water Association, Inc.  
P. O. Box 781  
Mt. Sterling, KY 40353-0781

\*Sara Collier  
Judy Water Association, Inc.  
P. O. Box 781  
Mt. Sterling, KY 40353-0781

\*Sam Reid  
Judy Water Association, Inc.  
P. O. Box 781  
Mt. Sterling, KY 40353-0781