

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF RATTLESNAKE)	CASE NO.
RIDGE WATER DISTRICT FOR A RATE)	2023-00338
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On December 6, 2023,¹ Rattlesnake Ridge Water District (Rattlesnake Ridge District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076.² The Commission established a procedural schedule by Order dated December 21, 2023, that, among other things, requires Commission Staff to file with the Commission and serve upon all parties of record a written report (Commission’s Staff Report) containing its findings and recommendations regarding Rattlesnake Ridge District’s requested water rate adjustment, no later than April 23, 2024.

In its Read First Cover Letter filed with the application, Rattlesnake Ridge District requested the Commission include a field review by Commission Staff in the procedural schedule “to gather needed information to process the application, reduce potential miscommunications, reduce the time to process the application, reduce the need for

¹ Rattlesnake Ridge District tendered its application on November 20, 2023. By letter dated November 21, 2023, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application was deemed filed on December 6, 2023.

² Pursuant to 807 KAR 5:076, Section 7(2), if the Commission has not issued an order after six months from the date an alternative rate filing application is deemed filed, the utility may place the proposed rates into effect, subject to refund, pending the Commission’s order upon filing written notice with the Commission of its intent to do so. Otherwise, an applicant using the alternative rate filing procedure may not place the proposed rates into effect until the Commission has issued an order approving the rates. 807 KAR 5:076, Section 7(1).

formal information requests and provide Commission Staff a clearer picture of the overall operations of the utility.”³

The Commission believes that a formal process for the exchange of information, and its inclusion in the record of the case, is critical to ensuring an effective and properly documented analysis process. The Commission, being aware of the open investigation into the Rattlesnake Ridge District,⁴ having reviewed Rattlesnake Ridge District’s response to Commission Staff’s First Request for Information (Staff’s First Request), the Read First Letter, and being otherwise sufficiently advised, finds that a field review is necessary for the reasons provided below.

The Commission finds that a field review will ensure timely processing of Rattlesnake Ridge District’s application. The Commission notes that Rattlesnake Ridge District has had previous difficulty meeting Commission deadlines.⁵ A field review will help to develop the record that Commission Staff utilizes for its Commission Staff Report, which will, in turn, assist in the issuance of a Commission Staff Report in a timely fashion. The Commission evaluates all of the information contained in the record when issuing its

³ Rattlesnake Ridge District’s Read First Letter (filed Nov. 20, 2023).

⁴ Case No. 2021-00340, *Electronic Investigation into the Financial and Operating Capacity of Rattlesnake Ridge Water District and Its Individual Commissioners, and Manager David Gifford for Alleged Failure to Comply with KRS 278.300 As Well As Possible Vacancies on the Board of Commissioners of Rattlesnake Ridge Water District* (Ky. PSC Oct. 18, 2021).

⁵ Rattlesnake Ridge District had issues with filing responses to the Commission in Case No. 2021-00340 and for asking for extensions of time. The Commission issued an Order on November 7, 2022, continuing and expanding its investigation to include a possible violation of KRS 278.300. Rattlesnake Ridge District had 20 days from the date of service to respond to the Order. The Commission Staff issued a data request on November 14, 2022, and the responses were due on December 9, 2022. Rattlesnake Ridge District did not file a response within 20 days of the service date of the Order responses to the data request by Dec. 9, 2022.

final Order, therefore a field review is likely to assist the Commission in the implementation of fair, just and reasonable rates without delay.

To promote the efficiency and productivity of the field visit, the Commission concludes that utility officers, agents, and employees who sponsored data request responses and filed certain records should be made available to discuss those data request responses and records. The Commission further concludes that identifying with specificity records that are necessary to develop a robust record and should be made available during the field visit will promote the efficiency and productivity of the field visit.

The Commission directs Rattlesnake Ridge District to make the following persons available during the February 15, 2024 field visit:

- David Gifford, General Manager
- Rebecca Kitchen or other such individual with knowledge of invoices and bookkeeping
- Sam Reid, Consultant
- Bill Gilbert, Chairman of the Rattlesnake Ridge District Board of Commissioners (the Board).

Pursuant to KRS 278.230⁶ and 807 KAR 5:006, Section 24,⁷ the Commission directs Rattlesnake Ridge District to make the below records available during the February 15, 2024 field visit:

- All original invoices, underlying purchase authorizations, and receipt documents, if applicable, for expenditures (both expense and capital) made during the test year; assumption is that these are ordered by either calendar period or supplier.
- All payments to governmental agencies for unemployment taxes, withholding taxes, FICA match and any other obligated amounts. Authorizing documents for all employees hired during the test year. Complete copy of billing records file for the test year.
- Originating document request that establishes reason and supports each billing adjustment transaction for amounts requested above.
- Authorization document for each billing adjustment transaction above.

⁶ KRS 278.230 “(1) The commissioners and the officers and employees of the commission may, during all reasonable hours, enter upon the premises of any utility subject to its jurisdiction for the purpose of examining any books or records, or for making any examination or test, or for exercising any power provided for in this chapter, and may set up and use on such premises apparatus and appliances necessary for any such examination or test. The utility shall have the right to be represented at the making of any such examination, test or inspection.

(2) The books, accounts, papers and records of the utility shall be available to the commission for inspection and examination. If the books, accounts, papers and records are not within the state, the commission may, by notice and order, require their production or the production of verified copies at such time and place as it designates, any expense incurred to be borne by the utility so ordered.”

⁷ 807 KAR 5:006 Section 24 Location of Records. “All records required by 807 KAR Chapter 5 shall be kept in the office of the utility and shall be made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours.

- List of all amounts and supporting documentation for any payments made to past or present board members for compensation as board member or reimbursement of expenses including any purchases on behalf of the district.
- List of capital expenditures for the test year including authorizing documents.
- All insurance information including but not limited to provider information, policy information, and payment information.
- Copies of engagement letter for audit of financial statements for the year ended December 31, 2022. Record of payments for the 2022 audit. Any correspondence of the status of the audit.
- Copy of the 2022 audit (if completed).
- Copies of all bank statements and supporting documentation for each deposit transaction during the test year.
- Documentation including contracts and invoices for the project detailed and granted a Certificate of Public Convenience and Necessity in Case No. 2022-00426.⁸
- Copies of board minutes that authorize employer/employee contribution percent for each beneficiary class classification (single, family, parent plus, etc.).


⁸ Case No. 2022-00426, *Electronic Application of Rattlesnake Ridge Water District for a Certificate of Public Convenience and Necessity to Construct a System Improvements Project and an Order Approving a Change in Rates and Authorizing the Issuance of Securities Pursuant to KRS 278.023* (Ky. PSC Jan. 17, 2023).

In order to allow time for the field review and a subsequent data request, the Commission, on its own motion, finds that the procedural schedule issued on December 21, 2023, should be amended accordingly.

IT IS THEREFORE ORDERED that:

1. The procedural schedule established on December 21, 2023, is amended.
2. A field review shall be conducted on February 15, 2024.
3. Rattlesnake Ridge District shall make Bill Gilbert, David Gifford, Rebecca Kitchen, and Sam Reid available to Commission Staff during the February 15, 2024 field visit.
4. Within five days of the date of service of this Order, Rattlesnake Ridge District shall file a list of any other Rattlesnake Ridge District officers, agents, and employees who Rattlesnake Ridge District will make available to Commission Staff during the February 15, 2024 field visit.
5. Rattlesnake Ridge District shall make the records identified in this Order available to Commission Staff during the February 15, 2024 field visit.
6. All supplemental requests for information to Rattlesnake Ridge District shall be filed no later than February 22, 2024.
7. All provisions of the Commission's December 21, 2023 Order not in conflict with the provisions of this Order shall remain in effect.

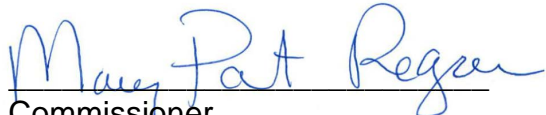
PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman



Commissioner

ENTERED
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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



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