

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ALLEN	)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE	)	2025-00014
ADJUSTMENT PURSUANT TO 807 KAR 5:076	)	

ORDER

On January 29, 2025,<sup>1</sup> Allen County Water District (Allen District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076.

The Commission finds that a procedural schedule<sup>2</sup> should be established to ensure the orderly review of Allen District's application. The procedural schedule is attached as Appendix A to this Order.

In addition, Allen District 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.

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<sup>1</sup> Allen District tendered its application on January 24, 2025. By letter dated January 27, 2025, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on January 29, 2025.

<sup>2</sup> No action is necessary to suspend the effective date of Allen 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.

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, Allen District shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.

3. Allen District 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 recommendations regarding Allen District'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 Allen District's financial condition supports a higher rate than Allen District proposes or the assessment of an additional rate or charge not proposed in Allen District's application, Allen 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 higher rate or the additional rate or charge.

7. If Commission Staff recommends that changes should be made to the manner in which Allen District accounts for the depreciation of Allen District's assets, Allen District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require Allen District 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 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>3</sup> regarding filings with the Commission.


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<sup>3</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

  
Commissioner

  
Commissioner

ATTEST:

  
Executive Director

ENTERED  
FEB 21 2025 AH  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2025-00014 DATED FEB 21 2025

Requests for intervention shall be filed no later than ..... 03/06/2025

All requests for information to Allen District  
shall be filed no later than ..... 03/13/2025

Allen District shall file responses to requests  
for information no later than ..... 03/27/2025

All supplemental requests for information to  
Allen District shall be filed no later than..... 04/10/2025

Allen District shall file responses to supplemental  
requests for information no later than ..... 04/24/2025

Commission Staff's Report shall be filed no later than..... 06/05/2025

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00014 DATED FEB 21 2025

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

Allen County Water District (Allen District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on March 27, 2025. The Commission directs Allen District 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.

Allen District shall make timely amendment to any prior response if Allen District obtains information that indicates the response was incorrect or incomplete when made

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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).

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

For any request to which Allen District fails or refuses to furnish all or part of the requested information, Allen 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 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, Allen 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. Employee names should be redacted from all documents.

a. The general ledger in Excel spreadsheet format for each of the years ended December 31, 2023, and December 31, 2024.

b. The trial balance in Excel spreadsheet format for each of the years ended December 31, 2023, and December 31, 2024.

c. Refer to Application, Schedule of Adjusted Operations (SAO). Provide a cross reference that matches each 2023 general ledger account to each revenue and expense line in the SAO and reconcile each amount that does not match.



d. Refer to the Application, Attachment 4, SAO, Adjustment References. Provide all workpapers used to generate the proposed adjustments in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

2. Refer to the Application, Attachment 7, Book Asset Detail. Provide a copy of the Fixed Asset Details in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

3. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2023, 2024, and 2025.

4. Provide a description of all employee benefits paid to or on behalf of each employee for the calendar year 2023. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents.

5. Provide a copy of the most recent invoice for each employee benefit(s) described in the response to Item 4.

6. Using a table format, provide an Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected that lists each position (Position 1, Position 2, etc.) job titles, hours worked, pay rates, total wages paid, and total FICA cost for each employee for the years ended December 31, 2023, 2024, and 2025 year to date. Additionally, provide calculations, by employee, that support pro forma wages of \$754,830 (prior to tap fee capitalization adjustment). Include the date each employee was hired and, if applicable, the employee's termination date. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been

vacant. The table should include a column for total wages by employee (regular wages and overtime) and a row for total hours worked, wages paid, and FICA for all employees. Employee names should be redacted from all documents.

7. Using the same table created in response to Item 6, list each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and an adjustment based on Bureau of Labor Statistics (BLS) contribution rates, if applicable. If medical insurance is provided, designate the coverage type (i.e., single, family, couple, or parent plus). If benefits other than medical insurance are provided, include a total column for the cost of all benefits excluding the BLS adjustment.

8. Refer to the Application, Attachment 4, References, Adjustment H. Also, refer to Table A, Depreciation Expense Adjustments. Also Refer to the Application, Attachment 7, Book Asset Detail

a. In Table A, all meters are proposed to be depreciated over a 15-year service life. Provide an explanation for the proposed fifteen-year service life for the meters. Include in this explanation any engineering reports, testing reports, or technical specifications that support the proposed fifteen-year service life for each meter, model and brand.

b. Confirm all the meters with the proposed 15-year service life are radio read meters or advanced metering infrastructure (AMI) Meters. If not, provide a list of the meters that are not radio read or AMI from the list provided in the Book Asset Detail report.

9. Refer to the Application, Attachment 7, Book Asset Detail, pages 3.

a. Provide a list of the Meters Capitalized Payroll and Capitalized Labor, and list whether the payroll was incurred installing a radio read meters or a mechanical meter.

b. For each radio read meter in the asset detail report, provide a breakdown of the brand and model.

10. 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 utility-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 the utility maintains a service contract.

11. Provide minutes from Allen District's Board of Commissioners (Board) meetings that authorize current salaries and wages for all current employees.

12. Provide the minutes from Allen District's Board meetings for the calendar years 2023, and 2024, and 2025 to date. Consider this a continuing request through the date of issuance of Commission Staff's Report.

a. Within the minutes provided, designate each action that authorizes hiring.

b. Within the minutes provided, designate each action that authorizes adjustments to wage rates and any other compensation or fringe benefit actions.

13. Provide a document listing the name of each commissioner for each of the calendar years 2023, 2024, and 2025. 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. State whether commissioners are paid as contractors (Form 1099) or employees (Form W-2).

14. Provide documentation from the Allen County Fiscal Court that authorizes each commissioner's appointment and compensation. Include the initial date of appointment for each current commissioner.

15. Provide all training records for each current commissioner.

16. Refer to Application, Exhibit 4, Table B, Debt Service Schedule. For the outstanding debt issuance, provide the Commission case number in which Allen District was authorized to issue the debt.

17. Provide the following with respect to new tap installations.

a. Number of installations during the test year.

b. State whether labor costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

c. State whether material costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

18. Provide a monthly breakdown in both gallons and dollar amount, of water purchased during the test year, by vendor, identifying all vendors from whom Allen District purchased water.

19. Provide the current rate charged by each vendor from whom Allen District purchases water.

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

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

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

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

21. Refer to the Application, Attachment 4, SAO. Provide a breakdown of the Other Water Revenues, stated as \$34,441, include a list of the account numbers, account names, and ending balances

22. Refer to the Application, Current Billing Analysis – 2023 Usage and Existing Rates and Proposed Billing Analysis 2023 Usage and Proposed Rates. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

23. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2023 and 2024.

24. Provide a schedule listing the number of occurrences for each nonrecurring charge that were recorded 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 no revenue was recorded. Include the general ledger account numbers where each nonrecurring charge is recorded.

25. Provide updated cost justification sheets to support each nonrecurring charge listed in Allen District's tariff, even if there were no occurrences during the test year.

26. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Allen District's tariff.

27. Refer to Allen District's Tariff, PSC Ky. No. 1, Original Sheet No. 11, Billing, Meter Readings, and Related Information.

a. Provide the date that Allen District's 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.

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