



Kentucky Rural Water Association

Helping water and wastewater utilities help themselves

October 5, 2018

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OCT 11 2018

PUBLIC SERVICE
COMMISSION

Ms. Gwen Pinson, Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602-0615

Re: **Case No. 2018-00237**
Kentucky Rural Water Association's 39th Annual Conference and
Exhibition – ***Water, The Natural Resource***

Dear Ms. Pinson:

Kentucky Rural Water Association (KRWA) hosted its **39th Annual Conference & Exhibition – *Water, The Natural Resource***, at the Galt House Hotel & Suites in Louisville, Kentucky, on August 27-29, 2018. The training program was presented as submitted with only one change in a handout for Concurrent C. On behalf of Kentucky Rural Water Association, **I hereby attest** that the training program herein referenced as **Case No. 2018-00237** was performed as scheduled with the following update for Concurrent C:

Tuesday, August 28, 2018, Session 16C, 3:50 to 4:50 p.m.
Gerald Wuetcher updated his presentation and handout (see copy enclosed).

As Ordered, only water district commissioners who attended Concurrent Session C on Tuesday, August 28, 2018, and confirmed their attendance at those sessions by submitting their stamped Verification of Hours sheet, were granted continuing education credit hours. A list of the commissioners meeting the approval criteria and the maximum hours they earned is enclosed.

Kentucky Rural Water Association would like to thank the Kentucky Public Service Commission and staff for your support in approving the training offered during our **39th Annual Conference and Exhibition**.

Sincerely,

Janet Cole
Education Coordinator
j.cole@krwa.org

Enclosures (2)

**Hours Earned by
Water District Commissioners
at Kentucky Rural Water Associations 39th Annual Conference and Exhibition
August 27-29, 2018
Louisville, Kentucky**

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PSC Case #2018-00237

Organization	First Name	Last Name	Concurrent C Hours	Hours Earned by Attending Other Sessions	Maximum Continuing Education Credit Hours Earned
Allen Co. Water District	Wayne	Jackson	3	5	6
Allen Co. Water District	Jeff	Powell	3	3	6
Allen Co. Water District	Darace	Tabor	3	5	6
Allen Co. Water District	Robin	York	3	5	6
Allen Co. Water District	Joe	Young	3	5	6
Big Sandy Water District	David	Salisbury	3	3	6
Big Sandy Water District	Paul	Thomas	3	3	6
Breathitt Co. Water District	Cheryl	Spicer-Campbell	3	5	6
Breathitt Co. Water District	David	Ingram	3	5	6
East Clark Co. Water District	Fred	Farris	3	5	6
East Clark Co. Water District	Harry	Fiefhaus	3	9	6
East Clark Co. Water District	Ted	Marcum	3	9	6
East Laurel Water District	Dennis	Minton	3	0	3
East Logan Water District	Carroll	Browning	3	9	6
East Logan Water District	Harris	Dockins	3	8	6
Grayson Co. Water District	Nancy	Cain	3	9	6
Grayson Co. Water District	Kirby	Johnson	3	9	6
Grayson Co. Water District	John	Tomes	3	9	6
Green River Valley Water District	John	Bunnell	3	6	6
Larue Co. Water District #1	Pat	Eastridge	1	3	1
Laurel Co. Water District #2	Kenneth	Finley	3	3	6
Laurel Co. Water District #2	Roy	Jenkins	3	6	6
Laurel Co. Water District #2	David	Moore	3	6	6
Marion Co. Water District	Barbara	May	3	7	6
Mountain Water District	Kelsey	Friend, II	3	3	6
Mountain Water District	Johnny	Tackett	3	5	6
Mountain Water District	Kevin	Varney	3	3	6
South Anderson Water District	Eddie	Stevens	3	7	6
Southeast Daviess Co. Water Dist.	Christina	O'Bryan	2	0	2
West Shelby Water District	Ben	Quinn	3	3	6
West Shelby Water District	Raymond	Williams	3	3	6
Western Lewis-Rectorville Water Dist.	Robert	Applegate	3	3	6


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**NOTES FROM THE BATTLEFIELD:
RECENT DEVELOPMENTS AT THE
KENTUCKY PUBLIC SERVICE
COMMISSION**

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ORDER OF PRESENTATION

- PSC Situation Report
- Adapting to the New Environment
- Show Cause Proceedings
- Alternative Rate Filings
- Update: Health Insurance Costs
- Update: Depreciation Expenses
- Regulation Review

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PSC SITUATION REPORT

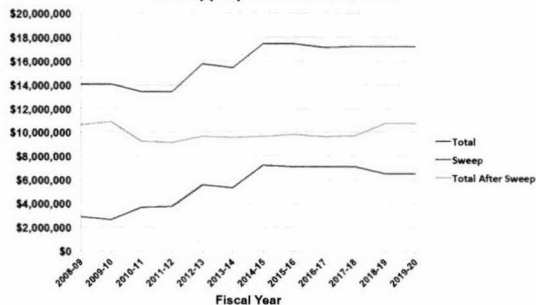
PSC E-MAIL MESSAGE OF 8/10/2018

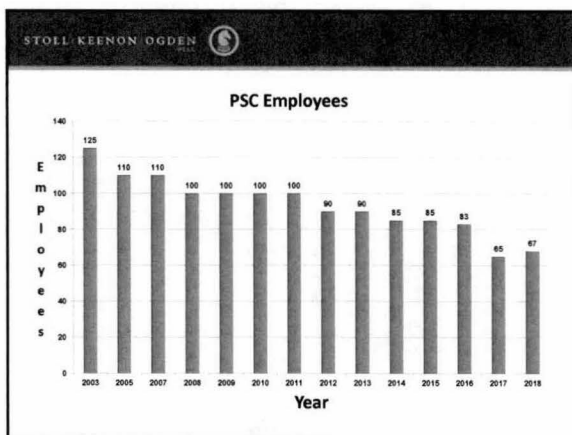
- Warns of Inadequate Funding
- PSC "does not have adequate staff to support many of the functions it is charged with overseeing"
- Lowest Staffing Level Ever
- Significant Loss of Experienced Staff
- Steep Learning Curve for New Employees

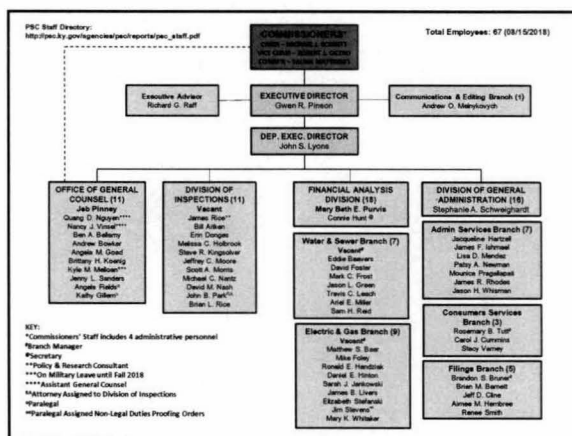
PSC MEETING ON 8/21/2018

- Discussion of Current Staffing Issues
- Unveiled 2019 Legislative Program
 - No Sweep of Assessment Revenue
 - Extend Suspension Period/Final Decision Period
 - Assessed Penalties Into PSC Account

PSC Appropriations 2008-2020







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SKILLS/SPECIALITIES ELIMINATED

- Economists (Research Division Eliminated)
- Auditors (Financial Audits Branch Eliminated)
- Organization/Efficiency Experts (Management Auditors Branch Eliminated)
- Engineers (Engineering Division Eliminated)
- GIS Personnel/Services (Elimination of IT Branch)

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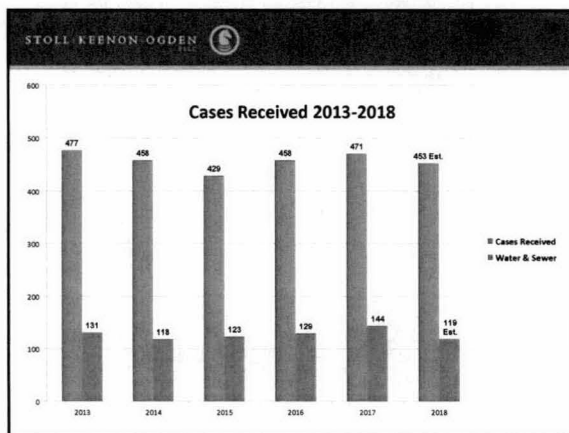
**PSC REORGANIZATION:
EXECUTIVE ORDER 2016-832 (11/18/2016)**

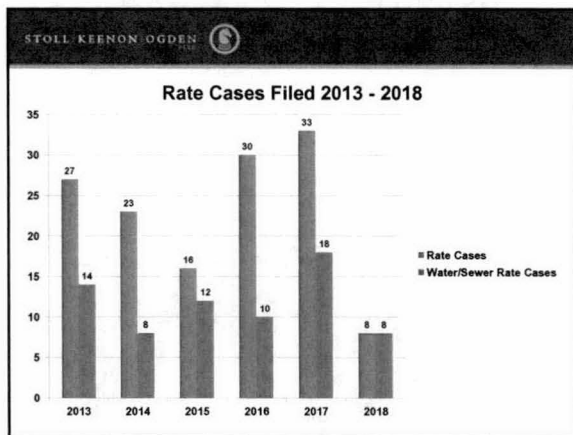
- Division of Engineering **ABOLISHED**
- Division of Consumer Services **ABOLISHED**
- Division of Filings **ABOLISHED**
- Division of Inspections **CREATED**
- Tariff Branch **ABOLISHED**
- Annual Reports/Docket Branches **ABOLISHED**

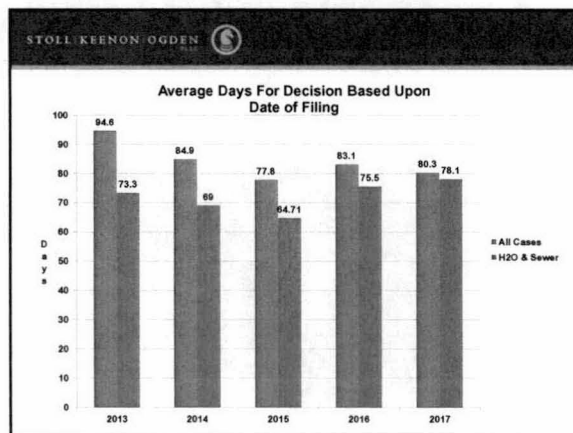
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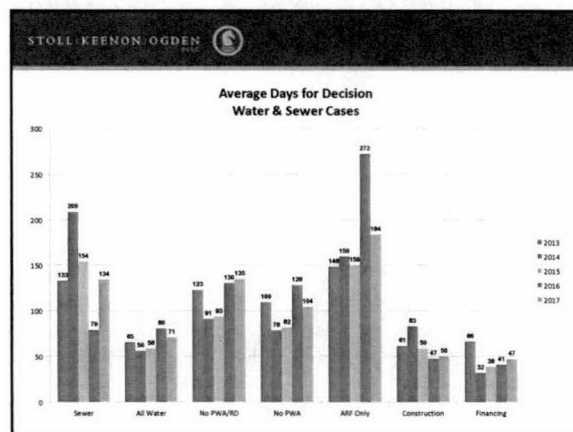
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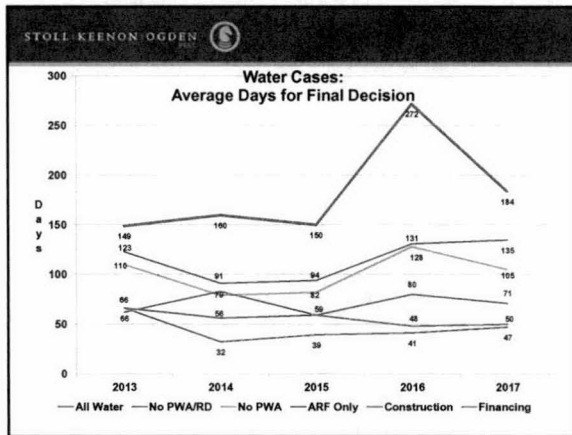
- All non-management Engineers transferred to other agencies within Energy & Environment Cabinet
- "The Commission **no longer relies on engineering services** given the evolution of the utility."
- PSC to rely upon E&E Cabinet personnel for Engineering expertise/advice
- PSC seeking greater inter-agency cooperation
- PSC to emphasize **inspections** and **investigations**











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WHAT THE PSC'S SITUATION REPRESENTS TO UTILITIES

- Longer Review Times
- PSC Staff will have Lesser Familiarity with PSC Precedent & Procedures
- Larger/More Frequent Requests for Information
- Lesser Flexibility/Discretion to Deal With Non-substantive Issues
- Greater Reliance upon Formal Procedures

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ADAPTING TO THE NEW ENVIRONMENT

ADAPTING TO THE NEW ENVIRONMENT

- Incorporate PSC Review Into Planning Process
- Submit A Comprehensive Application
 - Provide Historical Background
 - Provide Greater Narrative/Testimony of Utility Officials
 - Anticipate Requests for Information/Documents & Include

ADAPTING TO THE NEW ENVIRONMENT

- Submit A Comprehensive Application (cont'd)
 - Identify and Address Potential Issues
 - Organize Materials for Easier Review/Reference
- Greater Preparation
 - Request Staff Conference Prior to Filing
 - Research Prior PSC Proceedings
- Strictly Adhere to Filing Checklists

ADAPTING TO THE NEW ENVIRONMENT

- Contact Potential Intervenors/Critics
 - Ascertain Their Positions
 - Explain Your Application/Requested Relief
- Alert PSC Staff to Timing Requirements
- Check Periodically on Status of Proceeding
- Use Electronic Filing Procedures



SHOW CAUSE PROCEEDINGS



PSC'S ENFORCEMENT POWER

- KRS 278.040(1): PSC has power to enforce provisions of KRS Chapter 278
- KRS 278.040(3): "PSC may investigate the methods and practices of utilities to require them to conform to the laws of the state and to all reasonable rules, regulations and orders of the commission"
- KRS 278.250: PSC may investigate condition of utility



MECHANISMS FOR ENFORCEMENT

- Order Utility to Act or Refrain from action
- Seek Injunctive Relief from Circuit Court
- Assess Civil Penalties
- Removal of Water District Commissioners
- Referral of Matter for Criminal Prosecution

**AGAINST WHOM CAN THE PSC ASSESS
A PENALTY?**

Any Utility that:

- Violates KRS Chapter 278
- Violates PSC Regulation
- Does any act prohibited or fails to perform duty imposed by those statute or regulation

**AGAINST WHOM CAN THE PSC ASSESS
A PENALTY?**

Any Utility Officer/Employee/Agent or Any
Other Person that willfully violates

- KRS Chapter 278
- PSC Regulation/PSC Order

OR

Willfully procures, Aids, or Abets a Violation
by a Utility

**AGAINST WHOM CAN THE PSC ASSESS
A PENALTY?**

"Water District Commissioners should be advised that fines and penalties may be assessed against them individually for any such violations, as the Commission does not believe that . . . [water district's] customers should bear the cost of civil penalties in their rates for the negligence or malfeasance of the Water District Commissioners."

Case No. 2016-00400, Order of 1/5/2018 at 5-6.

PENALTIES

- Civil Penalty: \$25 to \$2,500 for ea. violation
- Criminal Penalties:
 - Fine of \$25 to \$2,500 for ea. violation
 - Imprisonment for not more than six months
- Removal of WD Commissioners from office

ENFORCEMENT PROCEDURE

- Initial Investigation
- Order To Show Cause (Separate Proceeding)
- Respondents' Response
- Discovery
- Hearing
- Final Order
- Appeal/Enforcement of Order at Franklin Circuit Court

ORDER TO SHOW CAUSE

- Describes Alleged Violation
- Identifies Statute or Regulation Violated
- Identifies Source of Allegations
- Directs Response to Allegations
- Establishes Hearing Date
- Sets Time to Request Staff Conference
- Orders Publication of Notice of Hearing

LEGAL REPRESENTATION

- Water District Counsel represents only water district
- Water District and Bd Members can agree to Joint Representation
- Potential Conflicts of Interest
- Joint v. Individual Representation
- Costs – Who Pays?

RESPONSE TO ORDER

- Written Response
 - Jt. Response v. Individual Response
 - Potential Defenses
 - Mitigating Factors
- Waiver of Hearing
- Offer of Settlement
- Discovery (PSC and Respondents)

HEARING

- Preparation for Hearing
- Hearing Procedure
- Burden of Proof
- Should Utility Officials Testify?
- Use/Value of Character Witnesses

POTENTIAL SANCTIONS

- Assessment of Civil Penalties
- Removal from Office
- Mandatory Attendance at PSC Water Management Training Programs
- Changes in Utility Practices and Procedures

ACTIONS TO CONSIDER

- Develop policy re: representation of Bd members and payment of legal costs
- Consider Purchase of Directors and Officers Liability Insurance
- Document Board Meetings and Discussions re: Critical Decisions
- Retain Attorney on Recurring Basis to Review Board Actions

ALTERNATIVE RATE FILINGS: PRACTICAL SUGGESTIONS

Strategic Considerations

- What are the limits to your request?
- What are your time constraints for recovery of additional revenue?
- What is the cost of delaying implementation of proposed rates?
- What are the utility's priorities for using additional revenues?

ARF APPLICATION & PLANNING

- Incorporate ARF Documents Into Planning
- Annually Review the Need For Rate Increase
- Rate Review Includes Non-Recurring Charges & Fee
- Consider More Frequent Filings To Reduce Rate Shock & Increase Customer Acceptance

PREPARING APPLICATION

- Review all test year expenses for:
 - Improper or unlawful expenditures
 - Non-mission related expenses
 - Expenditures contrary to PSC Policy
 - Embarrassing Expenditures
- Make Adjustments to remove these expenses before filing
- Correct the Problem & Note the Correction

PREPARING APPLICATION

- Incorporate By Reference Any Documents Already Filed with PSC (e.g., bond ordinances)
- Use Electronic Filing Procedures
- Provide Non-required Documents
 - General Ledger
 - Minutes of Board Meetings
 - Accountant's Adjusting Entries

NON-RECURRING CHARGES

- NRC: Charge or fee assessed to a customer to recover the specific cost of an activity
- Examples:
 - Tap-on Fee
 - Reconnection Charge
 - Service Visit
- ARF Procedures do not prohibit revisions to Non-recurring charges

NON-RECURRING CHARGES

- ARF Application provides opportunity to ensure NRCs reflect cost of service
- Revision ensures NRCs are not resulting in net losses
- Reduces the Cost of Updating
- Avoids limits placed upon revisions when made outside of general rate case

**STAFF FIELD REVIEW & RECORDS
INSPECTION**


- Have all documents available for inspection
- When Staff schedules review, request a list of documents to be reviewed
- Organize the documents
- Provide adequate working space
- Provide copies of any requested documents
- Be careful answering questions – ask that questions be placed in writing and provide written replies

**REVIEW & RESPONSE TO
STAFF REPORT**

- Review the Entire Report
- Accountant & Attorney should also review
- Note Overall Rate Recommendation – Are the recommended rates acceptable?
- Review specific findings & recommendations
 - Does the Utility disagree with any specific finding or recommendation?
 - What is the basis for disagreement?


**REVIEW & RESPONSE TO
STAFF REPORT**

- Give Attention to Non-Rate Specific Recommendations
- Consider the future effect of accepting Staff finding or recommendation
- Consider the cost of additional proceedings – rate case expense and delay in placing higher rates into effect

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**REVIEW & RESPONSE TO
STAFF REPORT**

- Response:
 - Provide additional evidence/statement to request reconsideration
 - Consider the Use of a **Conditional Acceptance**
 - Note all objections
 - Acceptance of Higher Rates
 - Phasing In Higher Rates
- Board Should Formally Approve Response

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**REVIEW & RESPONSE TO
STAFF REPORT**

- Alternative Request for Relief
 - Full Discovery including depositions
 - Hearing
 - Separation/Isolation of Assigned Staff

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PSC REGULATIONS RE: ATTORNEYS

- 807 KAR 5:001, §4(3): "Papers" must be signed by party or **attorney**
- 807 KAR 5:001, §4(4): A person shall not file a paper on behalf of another person, or otherwise represent another person, unless the person is an attorney licensed to practice law in Kentucky or an attorney who has complied with SCR 3.030(2)."
- Paper is any "document that [PSC Rules] or the Commission directs or permits a party to file in a case"
- Bottom Line: Unless pro se representation, all documents filed in any formal PSC proceeding must be filed by an Attorney



NO ATTORNEY REQUIRED

- Tariff Filings
- Correspondence with PSC Executive Director/Staff
- Required Filings outside of Formal Proceedings
 - Annual Reports
 - Regulatory Reports (e.g., Meter Testing)
 - Audit Reports
 - Commissioner Vacancy/Appointments
 - Change/Confirmation of E-mail Address
- Non-recurring Charge Filings
- Request for Staff Opinions



ATTORNEY REQUIRED

- Certificates of Public Convenience and Necessity
- Authorization to Issue Debt/Securities
- Applications for Declaratory Ruling
- PSC Formal Investigations
- Request for Deviations
- Rate Proceedings
 - Suspended Tariff Revisions/Non-Recurring Charges
 - General Rate Adjustments



IS A LAWYER NEEDED FOR ARF?

- 807 KAR 5:076, §13
- No Attorney is required to:
 - File application
 - Respond to information requests
 - Appear at conferences
 - Submit Response to Staff Report
- Attorney Required Only for Hearings

IS A LAWYER NEEDED?

- How Familiar Is Utility With Process?
- Opposition/Intervenors Expected?
- Complicated Issues?
 - Depreciation
 - Debt Service
 - Rate Design
 - Unusual Expenses
- Likelihood of Hearing?
- Cost – How much can Utility afford?

IS A LAWYER NEEDED?

- Purposes for Retaining Lawyer:
 - Identify/Address Potential Ratemaking Problems
 - Avoid Procedural Delays (Delay = \$\$\$)
 - Counterweight to PSC Staff/AG/Other Intervenors
 - Prepare for Hearing
- How much lawyer is needed?
 - Standby/limited oversight
 - Full Participation
- How Familiar is Lawyer with the PSC Process?

IS A LAWYER NEEDED?

- Fees:
 - Fixed Fee for Expected Services
 - Fixed Fee/Retainer: Max Fee but Charge Per Hour until Max
 - Contingency: Hourly Rate if Hearing
 - County Attorney (No Fee)
 - Lower Rate/Lesser Involvement in Later Cases
- Fees Recoverable as Rate Case Expense



HEALTH INSURANCE EXPENSE: UPDATE



PSC POLICY - SUMMARY

- PSC reviewing employers' contribution for health insurance cost
- If employer's contribution (%) exceeds BLS estimate of national average, recovery for excess **DENIED**
- PSC **encouraging** utility policies requiring employees to pay portion of health & dental insurance costs



BLS: Estimate of National Average

Coverage	Average	Private Industry	State & Local Government
Family	68/32	67/33	71/29
Single	80/20	79/21	86/14

HEALTH INSURANCE COSTS DISALLOWED IN 2017-18

Last 17 water utility rate cases:

- Rule Applied/Costs disallowed – 12
- PSC Hearing on Costs – 1
(Disallowed)
- Allowed – 2
- No health insurance costs – 3

PSC ORDERS: COMMON CHARACTERISTICS

- No discussion of employer's health insurance plan specifics
- No comparison of employer's health costs with other utilities
- Ignores Utility and PSC Staff arguments and evidence
- No finding that employer's cost for health insurance is unreasonable
- No explanation for use of the private firm standard or why other standards are inappropriate

COMMISSIONER CICERO: PSC POLICY ON HEALTH INSURANCE BENEFITS

- Appearance before KY Chamber of Commerce Energy Conference (01/18/2018)
- All PSC Commissioners present
- VC Cicero stated PSC Policy
- Posted at <http://bit.ly/2sBUL1d>

**COMMISSIONER CICERO: PSC POLICY
ON HEALTH INSURANCE BENEFITS**

- “[F]or rates to be fair, just, and reasonable - both to the ratepayers and the utility - the utility’s employees should reasonably participate in the cost of their health and dental insurance premiums”
- “Absent any employee participation, PSC will apply 21% contribution for single & 32% for family”

**COMMISSIONER CICERO: PSC POLICY
ON HEALTH INSURANCE BENEFITS**

“From a personal perspective, I’m concerned that the utility industry in general, regardless of the entity’s financial viability, seems to have a philosophy that health, dental and many other benefit programs should be completely or majority funded by the company; that somehow all employees, regardless of their skill level or occupation, are so valuable as to be irreplaceable.”

**COMMISSIONER CICERO’S POLICY ON
HEALTH INSURANCE BENEFITS**

“The Commission has been questioned as to why it doesn’t utilize the statistical percentages for “Service-providing industries – utility category” instead of the “all workers” category. The reason is obvious: **if all utilities offer the same program benefits the comparative percentages will be skewed for that category.**”



COMMISSIONER CICERO'S POLICY ON HEALTH INSURANCE BENEFITS

"I will emphasize this point - if the employee percent cost participation is not exactly at the standard percentage levels, but the company does require employee cost participation **at a reasonable level**, the Commission will not adjust those costs. However, the further the actual percentage is below the **standard statistical average percent participation**, the greater the probability that the Commission could make an adjustment."



PROBLEMS WITH PSC APPROACH

- Due Process Concerns
 - No notice to utilities
 - Utility has no opportunity to confront BLS "National Average" Statistics
 - Failure to Address Utility Arguments
- KRS Chapter 13A: PSC adopts a rule without following proper procedure



PROBLEMS WITH PSC APPROACH

- PSC Assumption: Utility Industry and Government payment of insurance costs is "skewed" – no supporting evidence
- Improper Use of BLS Statistics
 - No recognition of State/Local Gov't Data
 - Refusal to Use "Utilities Information"
- No empirical or statistical evidence to support any finding that current compensation costs are unreasonable

PROBLEMS WITH PSC APPROACH

- Disallowance is not based upon the cost of insurance but employees share of cost
- PSC refuses to consider:
 - Insurance Policies of Utility
 - Local Labor Markets
 - Utilities' Efforts to contain/reduce health insurance costs
 - Reputable/recognized studies on issue

RESPONSES TO PSC APPROACH

- Use Good Procurement Practices
 - Request Bids/Seek cost estimates from various suppliers annually
 - Document costs/efforts to reduce costs
- Determine the amount of likely disallowance prior to filing and if cost-effective to mount significant protest
- If not cost-effective, still document the record

RESPONSES TO PSC APPROACH

- Compare **Total Compensation Cost** vs. Other Regulated Utilities/Municipal Utilities
- Offer comparisons of benefits/costs by other regional/state utilities (Use KRWA/KLC Surveys)
- Provide evidence on local labor markets
- Emphasize unique aspects of your workforce

**RESPONSES TO PSC APPROACH**

- Consider differences between the quality of WD's insurance coverage & National Average Policy (e.g. deductibles, benefits)
- Propose use of BLS State/Local Government Category or Private Firm Utility or KY State Contribution Rate
- Argue for use of different study to determine National Average (e.g., Kaiser Family Foundation)

**RESPONSES TO PSC APPROACH**

- Consider challenging disallowance in response to PSC Staff Report (even if accepting PSC Staff rates)
- Conditional Waiver
- If Hearing – Challenge PSC Staff's knowledge on utility's health insurance policy and understanding of utility industry's practices

**PSC AUTHORITY TO MANDATE EMPLOYEE CONTRIBUTION**

- Employer Contribution is a **matter of managerial discretion**
- PSC jurisdiction limited to ratemaking
- PSC **CANNOT** restrict what employer pays for employee health insurance
- PSC **CANNOT** mandate employees contribute to health insurance cost



DEPRECIATION: UPDATE



PSC DECISIONS RE: DEPRECIATION

- Utility bears Burden of Proof to Demonstrate Why Its Current Useful Life Is Appropriate
- In absence of evidence to the contrary, mid-point on NARUC Guide will be used to establish useful lives
- PSC has not required PSC Staff proposals to be supported by engineering/technical evidence when maximum range recommended
- Staff Recommendations adopted in **ALL** Cases
- Adopted for Ratemaking & **Accounting** Purposes



PSC TREATMENT OF USEFUL LIVES

Year	Total Cases	Revised Useful Lives
2012	8	5
2013	4	3
2014	6	5
2015	8	7
2016	9	9
2017	10	4
2018	8	3

**CASE NO. 2017-00070**

- WD applied for rate adjustment (ARF)
- WD sought 50-year useful life for H2O mains
- WD had long used 50-yr useful life
- PSC Staff in prior cases had approved WD's use of 50-yr useful life for mains
- Application included affidavit from its Engineer in support of 50-year useful life

**CASE NO. 2017-00070**

- PSC Staff rejected 50-year life based upon WD manager's statements
 - "plant's condition average for age"
 - no evidence of excessive decay
 - no immediate plans for main replacement
- PSC Staff did not interview WD Engineer and gave no weight to his affidavit
- WD objected to findings

**CASE NO. 2017-00070**

- At hearing WD's Engineer & CPA testified in support of 50-year useful life
- PSC Staff Accountant testified that despite lack of any training as an engineer, she was capable to render "engineering judgment"
- PSC rejected WD's arguments – found WD had failed to meet its burden of proof

CASE NO. 2017-00070

Held:

- Arguments re: use of NARUC publication not relevant
- Its lack of engineering training did not prevent Staff from rendering an opinion re: useful lives
- Rejected argument that PSC Staff should explain reasons for applying different standard from prior PSC rate cases

CASE NO. 2017-00070

- WD Engineer's failure to conduct a physical examination of water mains a basis for giving no weight to his testimony/opinion
- Rejected the use of EPA/Rural Water Commission studies that supported a lower useful life

DEPRECIATION: SUMMARY

- **Major Issue** in Water Utility Rate Cases
- Examine Useful Lives **NOW**/Determine if Valid
- **(BEFORE FILING APPLICATION)** Assess Effects on RR of Major Revisions in Useful Lives
- Address in Application for Rate Adjustment
- Start Maintaining Records to Perform Depreciation Study

DEPRECIATION: SUMMARY

- Consider Conditional Waiver To Avoid Expensive and Unproductive Litigation
- Preparation Costs Can Be **Recovered As Rate Case Expenses**

REGULATORY REVIEW

REGULATORY REVIEW

- 2017 General Assembly enacted HB 50 (Regulatory Sunset Bill)
- Codified at KRS 13A.3102
- An administrative regulation expires after seven (7) years unless certified by promulgating agency
- Regulations promulgated before 7/1/2012 will expire on 7/1/2019

**REGULATORY REVIEW**

- To avoid expiration, promulgating agency must :
 - Review regulation to determine if it accords with KRS Chapter 13A & current subject matter law
 - Certify by Letter to LRC that Regulation will be amended to comply with current law or can remain in effect without amendment

**REGULATORY REVIEW**

- If regulation requires amendment, agency must submit an amended regulation to LRC within 18 months after submitting certification letter
- If amended regulation not timely submitted, it will lapse

**REGULATORY REVIEW**

- PSC must review & certify following regulations by :
 - 807 KAR 5:066 – Water
 - 807 KAR 5:070 – Water District Commissioner Training
 - 807 KAR 5:071 – Sewer
 - 807 KAR 5:090 – System Development Charges
 - 807 KAR 5:095 – Fire Protection for Water Utilities

