

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JESSAMINE-)	
SOUTH ELKHORN WATER DISTRICT FOR A)	CASE NO.
SEWER RATE ADJUSTMENT PURSUANT TO)	2022-00053
807 KAR 5:076)	

ORDER

On February 25, 2022, Jessamine-South Elkhorn Water District (Jessamine-South Elkhorn District) filed an application, pursuant to 807 KAR 5:076, requesting to adjust its monthly Sewer service rates.

The Commission finds that a procedural schedule¹ shall be established to ensure the orderly review of Jessamine-South Elkhorn District's application. The procedural schedule is attached as Appendix A to this Order.

In addition, Jessamine-South Elkhorn 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 No action is necessary to suspend the effective date of Jessamine-South Elkhorn 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, Jessamine-South Elkhorn District shall file its responses to the Commission's 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 Jessamine-South Elkhorn District's requested rate adjustment.

4. No later than 14 days after the date of the filing 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 Jessamine-South Elkhorn District's financial condition supports a higher rate than Jessamine-South Elkhorn District proposes or the assessment of an additional rate or charge not proposed in Jessamine-South Elkhorn District's application, Jessamine-South Elkhorn 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.

6. If Commission Staff finds that changes should be made to the manner in which Jessamine-South Elkhorn District accounts for the depreciation of Jessamine-South Elkhorn District's assets, Jessamine-South Elkhorn District in its response to the Commission Staff's Report shall also state its position in writing on whether the

Commission should require Jessamine-South Elkhorn 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 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.

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 stands submitted for decision.

10. A party's failure to file a written response within 14 days after the date of the filing of the Commission Staff's Report shall be deemed a waiver of all rights to a hearing on the application.

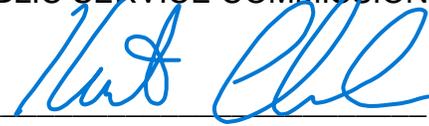
11. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention 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. Further, KRS 278.040(2) requires that a person seeking intervention must have an interest in the rates or service of a utility, as those are the only matters that are subject to the Commission's jurisdiction. 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 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.

12. The Commission directs the parties to the Commission's July 22, 2021, Order in Case No. 2020-00085² regarding filings with the Commission.

² 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

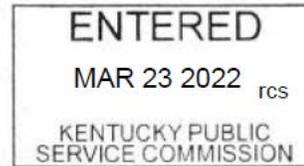


Chairman



Vice Chairman

Commissioner



ATTEST:



Executive Director

Case No. 2022-00053

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00053 DATED MAR 23 2022

Requests for intervention shall be filed no later than03/30/2022

All requests for information to Jessamine-South Elkhorn District
shall be filed no later than04/06/2022

Jessamine-South Elkhorn District shall file responses to requests
for information no later than04/27/2022

All supplemental requests for information to
Jessamine-South Elkhorn District shall be filed no later than05/11/2022

Jessamine-South Elkhorn District shall file responses to supplemental
requests for information no later than06/01/2022

Commission Staff's Report shall be filed no later than.....06/29/2022

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00053 DATED MAR 23 2022

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT

Jessamine-South Elkhorn Water District (Jessamine-South Elkhorn 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 April 6, 2022. The Commission directs Jessamine-South Elkhorn 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.

Jessamine-South Elkhorn District shall make timely amendment to any prior response if Jessamine-South Elkhorn District obtains information that indicates the

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).

response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Jessamine-South Elkhorn District fails or refuses to furnish all or part of the requested information, Jessamine-South Elkhorn 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, Jessamine-South Elkhorn 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 unprotected and fully accessible:
 - a. The general ledger and trial balance for the calendar years 2020 and 2021 to date.
 - b. The trial balance for the calendar years 2020 and 2021 to date.
 - c. General Liability Insurance policies for 2020 and the current period, if available.

d. hours worked by each employee, separated by regular hours worked, overtime hours worked, and any other form of the hourly wage for the calendar year 2020.

e. A document detailing the names, job titles, job description, and pay rates for each employee on December 31, 2018, December 31, 2019, December 31, 2020, and for those currently employed.

f. A description of all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

g. State whether Jessamine-South Elkhorn District employees participate in County Employee Retirement System (CERS). If confirmed, provide a statement from CERS that reflects the actual monthly payments remitted in 2020.

h. Minutes from Jessamine-South Elkhorn District commissioner meetings for the calendar years 2020 and the current period.

i. 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.).

j. 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 2020 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

3. Refer to Jessamine-South Elkhorn District's Application, Attachment 8, Outstanding Debt Instruments. For each principal and interest summary included, provide a summary of the institution to whom the debt is owed, its original purpose, and the Case No. of the case in which it was authorized by the Public Service Commission.

4. State when the last time Jessamine-South Elkhorn District performed a cost-of-service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether Jessamine-South Elkhorn District considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to Jessamine-South Elkhorn 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 the Jessamine-South Elkhorn District's system, explain when Jessamine-South Elkhorn District anticipates completing a new COSS.

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

5. Provide the number of new taps-on installed by meter size for 2020.

a. State whether Jessamine-South Elkhorn District keeps a record of the dollar amounts of labor and materials used to install new customer taps. If Jessamine-South Elkhorn District does, 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.
 - c. Provide copies of the cost justification sheets Jessamine-South Elkhorn District filed with the Commission to support its \$907 Meter Connection/Tap-on Fee.
- 6. Provide Jessamine-South Elkhorn District's nonrecurring charges, a schedule listing the number of occurrences during the test year for each of the charges, and the total dollar amount billed, and the total dollar amount collected during the test year.
- 7. Refer to the tariff currently on file with the Commission for Jessamine-South Elkhorn District. Provide copies of the cost justification sheets Jessamine-South Elkhorn District filed with the Commission to support each nonrecurring charge.
- 8. Refer to Jessamine-South Elkhorn District's Customer Notice. Jessamine-South Elkhorn District proposes to raise its monthly sewer service rates by an across-the-board percentage amount.
 - a. Provide an explanation of how the across-the-board percentage method to increase monthly sewer service rates was chosen.
 - b. Provide a list of alternative methods Jessamine-South Elkhorn District considered and an explanation as to why each alternative was not chosen to increase its monthly water
- 9. Refer to Jessamine-South Elkhorn District's Application, Attachment 5, Billing Analysis.
 - a. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

b. Provide the source of the 2020 usage data presented in the Billing Analysis, and state whether any adjustments were made to the data.

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

d. Provide monthly billing registers for water customers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible for the calendar year 2020.

10. Confirm whether any of Jessamine-South Elkhorn District's debt instruments require a set debt coverage ratio. If yes, detail these ratios and explain whether Jessamine-South Elkhorn District requires this rate adjustment to meet those requirements.

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