

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF EAST LAUREL )	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT )	2023-00130
PURSUANT TO 807 KAR 5:076 )	

ORDER

On April 24, 2023, East Laurel Water District (East Laurel District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. East Laurel District filed this proceeding in compliance with the final Order in Case No. 2023-00077.<sup>1</sup> In that proceeding, East Laurel District was ordered to file an application within 20 days of service of that Order, 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>2</sup> should be established to ensure the orderly review of East Laurel District’s application. The procedural schedule is attached as Appendix A to this Order.

In addition, East Laurel District shall file on or before the date set forth in the procedural schedule its responses to the Commission Staff’s First Request for

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<sup>1</sup> See Case No. 2023-00077 *Electronic Purchased Water Adjustment Filing of East Laurel Water District* (Ky. PSC April 5, 2023), final Order.

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

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.

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, East Laurel District shall file its responses to the Commission Staff's First Request for Information, attached to this Order as Appendix B.

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

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 East Laurel District accounts for the depreciation of East Laurel District's assets, East Laurel District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require East Laurel 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 5:001E, 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. 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.

13. 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.

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

  
Vice Chairman

  
Commissioner



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00130 DATED MAY 15 2023

Requests for intervention shall be filed no later than .....06/07/2023

All requests for information to East Laurel District  
shall be filed no later than .....06/14/2023

East Laurel District shall file responses to requests  
for information no later than .....06/27/2023

All supplemental requests for information to  
East Laurel District shall be filed no later than .....07/13/2023

East Laurel District shall file responses to supplemental  
requests for information no later than .....07/28/2023

Commission Staff's Report shall be filed no later than.....09/28/2023

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00130 DATED MAY 15 2023

#### COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EAST LAUREL DISTRICT

East Laurel Water District (East Laurel District), pursuant to 807 KAR 5:001E, shall file with the Commission an electronic version of the following information. The information requested is due on June 27, 2023. The Commission directs East Laurel 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.

East Laurel District shall make timely amendment to any prior response if East Laurel District obtains information that indicates the response was incorrect or incomplete

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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).

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

For any request to which East Laurel District fails or refuses to furnish all or part of the requested information, East Laurel 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, East Laurel District 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 the general ledger in Excel format with all formulas, rows, and columns fully accessible and unprotected for the years ended December 31, 2020, 2021, and 2022.
2. Provide the trial balance in Excel format with all formulas, rows, and columns fully accessible and unprotected for the years ended December 31, 2020, 2021, and 2022.
3. Provide a copy of the certificates of insurance and invoices for General Liability, Workers' Compensation, Automobile and property and casualty for 2021, 2022, and 2023.

4. Provide a document listing the names and terms, including term beginning and end dates, for all East Laurel District's Board members for each calendar year 2020, 2021, 2022, and 2023.
5. Provide the annual compensation for each current board member.
6. Provide Fiscal Court minutes that authorize the appointments and specify salary of each Board member.
7. Provide training records for each Board member for 2020, 2021, and 2022.
8. Provide the minutes from East Laurel District's Board of Directors meetings for the calendar years 2020, 2021, 2022, and year to date 2023.
9. Refer to Application, Attachment 4, Schedule of Adjusted Operations and Revenue Requirements and References. Provide the workpapers that support each pro forma adjustment described in the Schedule of Adjusted Operations References in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.
10. Refer to Application, Attachment 4, Schedule of Adjusted Operations and Revenue Requirements and References. Provide a breakdown by line item of the \$44,029 in Misc. Service Revenue that is expected to recur in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.
11. Provide a detailed fixed assets listing for 2021 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.
12. Refer to East Laurel District's October 5, 2007, maintenance agreement with Wood Creek Water District on file with the Public Service Commission last updated June 22, 2016. Confirm that the contract the Public Service Commission has on file

between Wood Creek Water District and East Laurel District is current and not pending any updates. If not, provide a copy of the current contract.

13. Refer to East Laurel District's October 5, 2007 maintenance agreement with Wood Creek Water District on file with the Public Service Commission last updated June 22, 2016. Provide all monthly invoices for materials and labor from Wood Creek Water District for the years 2021 and 2022. Provide all monthly invoice amounts by line item from Wood Creek Water District in Excel format with all formulas, rows, and columns fully accessible and unprotected for the years 2021 and 2022.

14. Refer to East Laurel District's 2021 Annual Report. Provide the Flushing Reports for East Laurel District's reported 127,570,000 gallons or 25.14 percent of East Laurel District's total Purchased Water used for system flushing.

15. Refer to East Laurel District's Application, Attachment 5, Current Billing Analysis and East Laurel District's 2021 Annual Report. Reconcile the difference between the Total Water Sales Reported in the 2021 Annual Report 304,372,000 gallons and the Total Gallons Sold in the 2021 (test year) Billing Analysis 302,131,000.

16. Provide a copy of East Laurel District's current and proposed billing analysis in Excel spreadsheet format with all formulas, rows and columns unprotected and fully accessible.

17. Provide updated cost justification sheets for all nonrecurring charges listed in East Laurel District's current tariff.

18. Provide the total amount recorded for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was assessed during the 2021 test year and calendar year of 2022.

19. Provide the number of gallons of water purchased, the cost of purchases, and the average cost of purchases for each supplier by month and in total for the years ended December 31, 2020, 2021, 2022, and the year to date for 2023. Provide in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

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

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

22. Explain whether any material changes to East Laurel District's system would cause a new COSS to be prepared since the last time it has completed one.

23. If there have been no material changes to East Laurel District's system explain when East Laurel District anticipates completing a new COSS.

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

25. Provide the date that East Laurel District's billing cycle begins (meter read date) and 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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