

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF REID VILLAGE)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT)	2023-00140
PURSUANT TO 807 KAR 5:076)	

ORDER

On April 26, 2023, Reid Village Water District (Reid Village District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. Reid Village District filed this proceeding in compliance with the final Order in Case No. 2022-00240.¹ In that proceeding, Reid Village District was ordered to file an application by August 26, 2024, for either a traditional adjustment in rates pursuant to 807 KAR 5:001E, Section 16, or for an alternative rate adjustment (ARF), pursuant to 807 KAR 5:076, to ensure its revenue is sufficient to support adequate and reliable service.

The Commission finds that a procedural schedule² should be established to ensure the orderly review of Reid Village District’s application. The procedural schedule is attached as an Appendix A to this Order.

¹ See Case No. 2022-00240, *Electronic Purchased Water Adjustment Filing of Reid Village Water District* (Ky. PSC Aug. 23, 2022), Order at ordering paragraph 5.

² No action is necessary to suspend the effective date of Reid Village 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.

In addition, Reid Village 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, 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, Reid Village District shall file its responses to the Commission Staff's First Request for Information, attached to this Order as Appendix B.

3. Reid Village 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 Reid Village 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 Reid Village District's financial condition supports a higher rate than Reid Village District proposes or the assessment of an additional rate or charge not proposed in Reid Village District's application, Reid Village 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 way Reid Village District accounts for the depreciation of Reid Village District's assets, Reid Village District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require Reid Village 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. 2020-00085³ regarding filings with the Commission.

³ 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

[Handwritten signature]

*MPK
signature
w/ permission*

Vice Chairman

Angie Hatten

Commissioner

May Pat Regan

ENTERED
MAY 23 2023
bsb
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Linda C. Bridwell

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00140 DATED MAY 23 2023

Requests for intervention shall be filed no later than06/07/2023

All requests for information from intervenors to Reid Village District
shall be filed no later than.....06/14/2023

Reid Village District shall file responses to requests
for information no later than06/27/2023

All supplemental requests for information to
Reid Village District shall be filed no later than07/13/2023

Reid Village District shall file responses to supplemental
requests for information no later than07/28/2023

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. 2023-00140 DATED MAY 23 2023

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO REID VILLAGE WATER DISTRICT

Reid Village Water District (Reid Village 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 Reid Village 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.

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

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).

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

For any request to which Reid Village District fails or refuses to furnish all or part of the requested information, Reid Village District shall provide a written explanation of the specific grounds for its failure to respond completely and precisely.

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, Reid Village 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. Using a table format, provide an Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected that, for each Reid Village District employee in 2021, 2022, and for the Proforma calculation, describes job titles, and states the hours worked, pay rates, total regular wages and overtime paid, and total FICA cost. Include the date the 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.

5. Using the same table described in Item 4, list each employee benefit, the employee's contribution, the employer's premium contribution, and both the percentage and adjustment based on Bureau of Labor Statistics (BLS) contribution rates. For the health insurance benefit provided to each employee 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.

6. Provide a description of all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for the calendar years 2021 and 2022, and the year to date for 2023.

7. Refer to Application, Attachment 4, Schedule of Adjusted Operations and Revenue Requirements and References, adjustment C. Provide documentation of Reid Village District's entry in the Kentucky Public Pensions Authority program including the starting participation date and specific minutes where Reid Village District's Board authorized participation.

8. Provide a copy of the most recent invoice for 2023 for each employee benefit described above.

9. Provide a document listing the names and terms, including term beginning and end dates, for all Reid Village District's Board members for each calendar year 2020, 2021, 2022, and 2023.

10. Provide Fiscal Court minutes that authorize each board member appointment and authorize the salary of each board member.

11. Provide training records for each board member for 2020, 2021, and 2022.

12. Provide the minutes from Reid Village District's board of directors' meetings for the calendar years 2020, 2021, 2022, and year to date 2023.

13. Provide a detailed fixed assets listing for 2021 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

14. 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.

15. Refer to Application, Attachment 4, Schedule of Adjusted Operations and Revenue Requirements and References. Provide a breakdown by line item of the \$10,229 in Other Water Revenue that is expected to recur in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

16. Refer to Application, Attachment 5, Current Billing Analysis. Reconcile the difference between the Billing Analysis Revenue of \$452,314 and the Net Revenue of \$606,788.

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

18. Provide updated cost justification sheets for all nonrecurring charges listed in Reid Village District's current tariff.

19. 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.

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

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

22. Explain whether any material changes to Reid Village 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 Reid Village District's system explain when Reid Village District anticipates completing a new COSS.

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

25. Provide the date that Reid Village 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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