

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GARRISON- QUINCY-KY-O-HEIGHTS WATER DISTRICT FOR AN ALTERNATIVE RATE FILING PURSUANT TO 807 KAR 5:076)))))	CASE NO. 2023-00408
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ORDER

On December 19, 2023,¹ Garrison-Quincy-Ky-O-Heights Water District (Garrison District) filed its application with the Commission requesting an adjustment to its water and sewer rates pursuant to 807 KAR 5:076.

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

In addition, Garrison 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.

¹ Garrison District tendered its application on December 11, 2023. By letter dated December 19, 2023, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on December 19, 2023.

² No action is necessary to suspend the effective date of Garrison 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, Garrison District shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.
3. Garrison 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 Garrison 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 Garrison District's financial condition supports a higher rate than Garrison District proposes or the assessment of an additional rate or charge not proposed in Garrison District's application, Garrison 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 Garrison District accounts for the depreciation of Garrison District's assets, Garrison District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require Garrison 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. 2020-00085³ 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



Vice Chairman



Commissioner



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00408 DATED JAN 10 2024

Requests for intervention shall be filed no later than01/16/2024

All Intervenor requests for information to Garrison District
shall be filed no later than01/23/2024

Garrison District shall file responses to requests
for information no later than02/16/2024

All supplemental requests for information to
Garrison District shall be filed no later than02/20/2024

Garrison District shall file responses to supplemental
requests for information no later than03/05/2024

Commission Staff's Report shall be filed no later than.....04/16/2024

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00408 DATED JAN 10 2024

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO GARRISON-QUINCY-KY-O-HEIGHTS WATER DISTRICT

Garrison-Quincy-Ky-O-Heights Water District (Garrison 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 February 16, 2024. The Commission directs Garrison 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.

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

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

For any request to which Garrison District fails or refuses to furnish all or part of the requested information, Garrison 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, Garrison 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 the years ended December 31, 2022 and 2023 for both water and sewer divisions.

- b. The trial balance in Excel spreadsheet format for the years ended December 31, 2022 and 2023 for both water and sewer divisions.

- c. Refer to Application Schedule of Adjusted Operations. Provide a cross reference that points each 2022 general ledger account to each revenue and

expense line in the Schedule of Adjusted Operations and reconcile each amount that does not match.

2. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2022, and 2023.

3. Provide a description of all employee benefits, other than salaries and wages, paid to or on behalf of each employee for the calendar year 2022. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents.

4. Provide a copy of one invoice for 2023 for each employee benefit described above.

5. 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, 2022, and 2023 for both water and sewer divisions. Additionally, provide calculations by employee that support pro forma wages of \$185,217. 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. The table should include a column for total wages by employee (regular wages and overtime) and a row for total wages for all employees. Employee names should be redacted from all documents.

6. Using the same table that lists each position and wage information, list each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and the adjustment based on Bureau of Labor Statistics

(BLS) contribution rates, if applicable. If health 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.

7. 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.
8. Provide minutes from Garrison District's commissioner meetings, authorizing current salaries and wages for all current employees.
9. Refer to the Application, Schedule of Adjusted Operations, Adjustment References. Provide all workpapers used to generate the proposed adjustments.
10. Provide the minutes from Garrison District's commissioner meetings for the calendar years 2022 and 2023.
11. Provide a document listing the name of each member of the Board for each of the calendar years 2022 and 2023 and state, individually, the total amount of each benefit paid to, or on the behalf of, each director 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.

12. Provide documentation from the Fiscal Court that authorizes each Board member's appointment and compensation.

13. Provide training records for each board member for 2022 and 2023.

14. Provide the method and justification used for any cost allocation between the water and sewer divisions.

15. 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.

16. Refer to Garrison District's Tariff, PSC Ky. No. 1, Original Sheet No. 11, Billing, Meter Readings and Related Information, Frequency of meter reading.

a. Provide the date that Garrison District 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.

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

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

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

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

18. Refer to the Application, Schedule of Adjusted Operations, provide an itemization of the Other Water Revenues, stated as \$32,187.

19. Refer to the Application, Current Billing Analysis 2022 Usage and Existing Rates and. Proposed Billing Analysis 2022 Usage and Proposed Rates. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

20. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2022 and 2023.

21. Provide a schedule listing the number of occurrences for each nonrecurring charge that was 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.

22. Provide updated cost justification sheets to support each nonrecurring charge listed in Garrison District's tariff.

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

24. Refer to the Application, Appendix A, Current and Proposed Monthly Rates, Water Division. Garrison District is proposing a Water Loss Reduction Surcharge of \$0.73 while the current Water Loss Reduction Surcharge is \$1.73. Explain this discrepancy or state if this is simply a typographical error.

25. Refer to the Application, Appendix A, Current and Proposed Monthly Rates, Water Division. Garrison District indicates a 1-inch monthly minimum bill of \$78.30 and a usage rate of \$5.32 per 1,000 gallons. However, the current tariff on file and current rate schedule shows a monthly minimum of \$88.33 and usage rate of \$6.00. Explain this discrepancy.

26. Refer to the Application, Current Billing Analysis. Garrison District shows a wholesale rate to the city of South Shore but this rate is not included in its current tariff. Provide the most recent instance in which this rate was increased and explain why it is not included in Garrison District's current tariff.

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