

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GRAVES)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE)	2025-00060
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On March 19 2025,¹ Graves County Water District (Graves County District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. The Commission finds that a procedural schedule² should be established to ensure the orderly review of Graves County District's application. The procedural schedule is attached as Appendix A to this Order.

In addition, Graves County District should 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 should respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

¹ Graves County District tendered its application on March 10, 2025. By letter dated March 11, 2025, and Order dated March 19, 2025, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on March 19, 2025 by Order granting deviation dated April 8, 2025.

² No action is necessary to suspend the effective date of Graves County 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, Graves County District shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.
3. Graves County 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 Graves County 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 Graves County District's financial condition supports a higher rate than Graves County District proposes or the assessment of an additional rate or charge not proposed in Graves County District's application, Graves County 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 Graves County District accounts for the depreciation of Graves County District's assets, Graves County District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require Graves County 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. 2025-00060 DATED APR 23 2025

Requests for intervention shall be filed no later than 05/01/2025

All requests for information from intervenors to Graves County District
shall be filed no later than 05/14/2025

Graves County District shall file responses to all requests
for information no later than 05/29/2025

All supplemental requests for information to
Graves County District shall be filed no later than 06/18/2025

Graves County District shall file responses to supplemental
requests for information no later than 07/02/2025

Commission Staff's Report shall be filed no later than..... 08/07/2025

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2025-00060 DATED APR 23 2025

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO GRAVES COUNTY WATER DISTRICT

Graves County Water District (Graves County 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 May 29, 2025. The Commission directs Graves County 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.

Graves County District shall make timely amendment to any prior response if Graves County District obtains information that indicates the response was incorrect or

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

For any request to which Graves County District fails or refuses to furnish all or part of the requested information, Graves County 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, Graves County 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 with all transactions for each of the years ended December 31, 2023, and December 31, 2024.

- b. The trial balance in Excel spreadsheet format for each of the years ended December 31, 2023, and December 31, 2024.

- c. Provide a cross reference that matches each test year general ledger account to each revenue and expense line reported in the Schedule of Adjusted Operations and reconcile each amount that does not match.

2. State whether Graves County District uses an integrated software program for billing and its general ledger. If not, provide the following information related to each of the billing software and the general ledger software:

- a. Brand or common name for each software.
- b. State whether each 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 each system is still serviced by the manufacturer and whether the utility maintains a service contract.

3. Refer to the Schedule of Adjusted Operations (SAO), Revenue Requirements Calculation, SAO Adjustment References. Provide all schedules used to support each proposed adjustment in Excel format. Component details of schedules should tie to the general ledger accounts that comprise the SAO line item, including any adjustments for unreconciled amounts.

4. Provide certificates of insurance and most recent invoices for general liability, automobile, property, and casualty for 2024 and 2025.

5. Provide the following regarding Purchased Water expenses.

- a. Provide the gallons purchased and cost, by month for the entire year, for each supplier for 2023, 2024, and year to date in 2025.
- b. Reconcile reported gallons purchased in the test year annual report water statistics and the purchased gallons reported in 2023 from part A above.

6. Provide the minutes from Graves County District's commissioner meetings for the calendar years 2023, 2024, and 2025 to date. Consider this a continuing request through the date of issuance of Commission Staff's Report.

7. Provide a document that lists the name of each commissioner for each of the calendar years 2023, 2024, and 2025 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.), their term (beginning and ending), and current authorized annual compensation.

8. Provide minutes and any other documentation from the Fiscal Court that authorizes each commissioner's appointment and compensation.

9. Provide training records for each commissioner for 2022, 2023, and 2024 or a statement that the individual has not attended training.

10. 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.

11. Refer to Graves County District's Tariff, PSC Ky. No. 1, 1st Revised Sheet No. 9, General Rules and Regulations.

- a. Provide the date Graves County District's 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.

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

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

b. Explain whether any material changes to Graves County District's 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 Graves County District's system, explain when Graves County District anticipates completing a new COSS.

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

13. Refer to the Application, Current Billing Analysis 2023 Usage and Existing Rates and Proposed Billing Analysis 2023 Usage and Proposed Rates.

a. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

b. Describe adjustments to the billing analysis and their justification.

14. Refer to the Application, Schedule of Adjusted Operations. Provide an itemization of Misc. Services Revenues of \$104,961 and state whether each component will recur.

15. Provide the number of occurrences and dollar amounts for late fees recorded during the calendar year 2023.

16. Provide a schedule listing the number of occurrences for each nonrecurring charge 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.

17. Provide updated cost justification sheets to support each nonrecurring charge listed in Graves County District's tariff.

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

19. Refer to Application, Schedule of Adjusted Operations, Reference B, which references a surcharge established in Case No. 2020-00836. Also refer to Case No. 2018-00429,² September 30, 2019 final Order,³ and May 25, 2021 Post Case Filing⁴ in which Graves County District's requested to remove the monthly surcharge to customers in the Hickory Area.

a. Confirm Case No. 2020-00836 was misstated in the reference and was actually referring to Case No. 2018-00429.

² See Case No. 2018-00429, *Application of Graves County Water District for an Alternative Rate Adjustment*.

³ See Case No. 2018-00429, Sept 30, 2019 final Order.

⁴ See Case No. 2018-00429, May 25, 2021 Graves County Water District Hickory Debt Surcharge Summary Report pursuant to Commission Order.

b. State the actual date the Graves County District stopped charging the surcharge to water customers in the Hickory Area.

c. Provide a breakdown of revenues, by year, from the surcharge to water customers in the Hickory Area, since June 2021, the ending date for the surcharge established in the final order at page 7.⁵

20. Refer to Application, Schedule of Adjusted Operations, Reference G, reference an increase in contractual services billed by Mayfield Electric and Water of 10 percent.

a. Provide an updated contract referencing the 10 percent increase for 2025.

b. State whether Leak Detection Services currently provided by Mayfield District will continue to be performed at hours similar to those in the test year.

21. Refer to Application, Corrected Existing and Proposed Rates (filed March 17, 2025), Corrected Customer Notice (filed March 17, 2025). Graves County District proposed an increase to annual revenue of 44.14 percent, distributed across a five-year phase-in increase. Provide an explanation for why the district believes a five-year phase in is appropriate to distribute the required revenue increase. Include an explanation for both the phase in approach, in general, and the number of phases proposed.

⁵ See Case No. 2018-00429, Sept 30, 2019 final Order at 7.

*Graves County Water District
P. O. Box 329
301 East Broadway
Mayfield, KY 42066

*Robert K. Miller
Straightline Kentucky LLC
113 North Birchwood Ave.
Louisville, KY 40206

*Brent Shultz
Graves County Water District
P. O. Box 329
301 East Broadway
Mayfield, KY 42066