

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LAKE VILLAGE)	CASE NO.
WATER ASSOCIATION, INC FOR A RATE)	2026-00057
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

ORDER

On March 25, 2026, Lake Village Water Association, Inc. (Lake Village Water) filed its application with the Commission requesting an adjustment to its water rates pursuant to Commission regulation 807 KAR 5:076.

The Commission finds that a procedural schedule¹ should be established to ensure the orderly review of Lake Village Water’s application. The procedural schedule is attached as Appendix A to this Order.

In addition, Lake Village Water shall file on or before the date set forth in the procedural schedule its responses to the Commission Staff’s (Staff) request for information, attached to this Order as Appendix B, and shall respond to any future requests for information propounded by Staff by the date or dates set forth on any such requests.

¹ No action is necessary to suspend the effective date of Lake Village Water’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, Lake Village Water shall file its responses to the Staff's request for information, attached to this Order as Appendix B.
3. Lake Village Water 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, Staff shall file with the Commission and serve upon all parties of record a written report (Staff Report) containing its recommendations regarding Lake Village Water's requested rate adjustment.
5. No later than 14 days after the date of service of the Staff 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 Report; and
 - b. Any additional evidence for the Commission to consider.
6. If Staff recommends that Lake Village Water's financial condition supports a higher rate than Lake Village Water proposes or the assessment of an additional rate or charge not proposed in Lake Village Water's application, Lake Village Water in its response to the Staff 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 Staff recommends that changes should be made to the manner in which Lake Village Water accounts for the depreciation of Lake Village Water's assets, Lake Village Water in its response to the Staff Report shall also state its position in writing on whether the Commission should require Lake Village Water to implement the proposed change for accounting purposes.

8. A party's failure to file written objections to a recommendation contained in the Staff Report within 14 days after the date of the filing of the Staff 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 Staff 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 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 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. 2020-00085² 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).

Entered on this 14th day of April, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chairman

Mary Pat Regan
Commissioner

Andrew W. Wood
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

Case No. 2026-00057

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2026-00057 DATED APR 14 2026

Requests for intervention shall be filed no later than 4/23/2026

All requests for information to Lake Village Water
shall be filed no later than 4/30/2026

Lake Village Water shall file responses to requests
for information no later than 5/21/2026

All supplemental requests for information to
Lake Village Water shall be filed no later than 6/11/2026

Lake Village Water shall file responses to supplemental
requests for information no later than 6/25/2026

Commission Staff's Report shall be filed no later than..... 8/06/2026

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00057 DATED APR 14 2026

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO LAKE VILLAGE WATER ASSOCIATION, INC.

Lake Village Water Association, Inc. (Lake Village Water), 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 21, 2026. The Commission directs Lake Village Water 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.

Lake Village Water shall make timely amendment to any prior response if Lake Village Water 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 Lake Village Water fails or refuses to furnish all or part of the requested information, Lake Village Water 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, Lake Village Water shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. State whether Lake Village Water 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 Lake Village Water used during the test period:

- 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 for each software.
- d. State whether each system is still serviced by the manufacturer and whether the utility maintains a service contract.

2. 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.

3. The general ledger in Excel spreadsheet format with all transactions for the year ended December 31, 2024, 2025, and year to date March 31, 2026.

4. The trial balance in Excel spreadsheet format for the year ended December 31, 2024, and 2025, and year to date March 31, 2026.

5. Refer to Application, Schedule of Adjusted Operations (SAO). Provide a cross reference that matches each test year general ledger account to each revenue and expense line reported in the SAO and reconcile each amount that does not match.

6. Refer to the Application, SAO. Provide an itemization of the Other Water Revenues of \$58,646 and state whether each component will recur.

7. Refer to Application, Attachment 12, Rate Study, Wages Tab.

a. State the planned number of employees separated between full time and part time that make up the pro forma wage amount of \$477,160.

b. State whether yearly hours for full-time employees is 1,950 hours (37.5 hours weekly) or 2,080 hours (40 hours weekly).

c. For any part-time employees, state, individually, how many weekly hours the employee is expected to work.

d. Describe the purpose of the PTO hours column, including how PTO is calculated and incorporated into pro forma wages.

8. Provide a summary of overtime hours worked and cost that were due to vacant positions and thus will be eliminated when the vacant positions are filled. For any

bonuses, provide written personnel policies including a description of the measurement determinates.

9. Provide a complete description of each employee benefit, paid to or on behalf of each employee for the year 2024. Supplemental coverage for which the employee pays 100 percent of the cost should also be included.

a. Provide a copy of one invoice for 2024 for each employee benefit described above.

b. State whether there were any significant changes to any benefit coverage described above subsequent to the test year.

c. Provide a copy of a 2026 invoice for each employee benefit described above.

10. Refer to the Application, SAO, Adjustment I. Provide the following information regarding the proposed rate case amortization expense.

a. State whether the estimated cost for this case is a fixed amount or indicate whether the quoted amount may increase or decrease.

b. Provide a copy of the quote for the preparation of the rate case.

c. Provide a copy of all invoices associated with Rate Case Expense.

Consider this an ongoing request.

d. Confirm that the anticipated rate case expense will be paid by Lake Village Water and not paid by a third party, i.e. grant funding. If not confirmed, provide the source of funding, describe the agreement facilitating the third-party funding, and provide any preliminary and final-written agreements reflecting the third-party funding.

11. Refer to SAO - Purchased Water expenses.

a. Provide the gallons purchased and cost, by month for the entire year, for each supplier, and in total, for calendar year 2024.

b. Reconcile reported gallons purchased in the test year annual report water statistics and the purchased gallons reported in 2024 from Item 11a above.

12. Provide certificates of insurance and copies of invoices for general liability, automobile, property, and casualty for 2024 and 2026.

13. Provide the minutes from the Lake Village Water Board of Director's meetings for the calendar years 2023, 2024, 2025, and year-to-date 2026. Consider this a continuing request through the date of issuance of Commission Staff's Report.

14. Refer to the minutes from the Lake Village Water Board of Director's meetings for the calendar years 2023, 2024, 2025, and year-to-date 2026 requested above and provide the following.

a. Designate each action that authorizes hiring.

b. Designate each action that authorizes adjustments to wage rates and any other compensation or fringe benefit actions.

15. For each Director, provide the following for calendar years 2023, 2024, 2025 and year to date March 31, 2026:

a. List of the name of each Director, their term (beginning and ending), and current annual compensation.

b. Provide, 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.)

c. Authoritative governing documents that authorize the appointment and compensation of each Director member.

d. Training records for each Director for calendar year 2024, 2025, and year-to-date 2026 inclusive of any training for which they have registered but not yet attended in 2026 or provide a statement that the individual has not attended training.

16. Refer to Lake Village Water's Tariff, PSC Ky. No. 1, Original Sheet No. 10-12, Rules and Regulations, Billings.

a. Provide the date Lake Village Water'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

17. Refer to Lake Village Water's most recent cost of service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether Lake Village Water considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to Lake Village Water'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 Lake Village Water's system, explain when Lake Village Water anticipates completing a new COSS.

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

18. Provide the number of occurrences and dollar amounts for late fees recorded during the calendar years of 2024 and 2025.

19. Provide a schedule of 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.

20. Provide updated cost justification sheets to support each nonrecurring charge listed in Lake Village Water's tariff.

21. Provide updated cost justification sheets to support each Meter Connections/Tap-on charge listed in Lake Village Water's tariff.

22. Provide the following for new tap installations.

- a. Number of installations during the test year.
- b. Refer to SAO, adjustment J, confirm if the capitalized tap amounts provided has been included in the Depreciation adjustment.

23. Refer to Application, ARF Cover letter, indicates that the Water Loss Reduction Surcharge will expire on October 4, 2026, however Current and Proposed Rates reflects a proposed surcharge amount equal to the current rate of \$1.61 per customer per month. Explain why the surcharge is included in the proposed rates.

24. Refer to Application, Attachment 8, Board Resolution.

- a. Provide Appendix A.

b. Confirm that Lake Village Water is an association organized pursuant to KRS Chapter 273 not a water district organized pursuant to KRS Chapter 74. If not confirmed, explain the response.

25. Refer to Application, Schedule of Adjusted Operations (SAO) and References, SAO reflects a reduction of \$99,535 for Depreciation adjustment, while the references indicate that Depreciation Expense was reduced by \$96,223. Explain the reason for the difference.

26. Refer to Application, Attachment #4, Table A, Depreciation Expense Adjustments.

a. Identify the types of water meters included in the depreciation calculation (e.g., Mechanical, AMR, AMI), and the service life assigned to each type.

b. Explain how the service lives were determined in the depreciation calculation.

c. If different service lives are applied among meter types. Explain the basis for the differences, including any supporting documentation such as engineering reports, manufacturer specification, or operational experience.

27. Refer to Application, Attachment #4, SAO and Attachment #5, Current Billing Analysis with 2024 Usage & Existing Rates (Existing Billing Analysis). Explain why the Retail and Wholesale Revenue values in the Existing Billing Analysis of \$1,599,363 and \$267,203 respectively do not match the Proforma sales values represented in the SAO for Residential of \$1,683,896 and Commercial Customers of \$143,290.

28. Refer to Application, Attachment # 4, SAO and Attachment # 12, Rate Study, Medical Tab calculation of Employee Pensions and Benefits. The supporting

schedule reflects total costs of \$89,719, from which \$21,684 is deducted to arrive at a test year amount of \$68,034. Explain the nature of the \$21,684 reduction, including a detailed breakdown of the components included in this amount and the basis for excluding these costs from test year pension and benefits expense.

29. Refer to Application, Attachment #5, Existing Billing Analysis and Attachment #12, Attachment_12_LVWD_Rate Study.xlsx (Rate Study). Explain the adjustments of \$(39,379) to the Existing Billing Analysis also shown on Rate Study tab ExBA and its justification and supporting documentation. Provide details about Adjustments (2,953.13), Correct Billing (7,449.28), and Leak Adj. (28,876.97). Provide the number of occurrences for each Leak Adjustment recorded during the test year.

30. Provide a copy of the articles of incorporation or bylaws for Lake Village Water.

Service List for 2026-00057

* Lake Village Water Association, Inc.
801 Pleasant Hill Drive
P. O. Box 303
Burgin, KY 40310

* Mike D Sanford
Executive Director
Lake Village Water Association, Inc.
801 Pleasant Hill Drive
P. O. Box 303
Burgin, KY 40310

* Sam Reid
312 N. Jackson Street
Perryville, KY 40468

* Christopher J. Tucker
Sheehan, Barnett, Dean, Pennington, Dexter & Tucke
114 South Fourth Street
Danville, KY 40423