COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WESTERN LEWIS-RECTORVILLE WATER AND GAS DISTRICT FOR A RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076	))))	CASE NO. 2026-00221

O R D E R

On October 16, 2026,[1] Western Lewis-Rectorville Water and Gas District (Western Lewis-Rectorville District) filed its application with the Commission requesting an adjustment to its gas rates pursuant to 807 KAR 5:076.

The Commission finds that a procedural schedule[2] should be established to ensure the orderly review of Western Lewis-Rectorville District's application. The procedural schedule is attached as Appendix A to this Order.

In addition, Western Lewis-Rectorville District should 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 should respond to any future requests for information propounded by Staff by the date or dates set forth on any such requests.

[1] Western Lewis-Rectorville District tendered its application on October 12, 2026. By letter dated October 14, 2026, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on October 16, 2026.

[2] No action is necessary to suspend the effective date of Western Lewis-Rectorville 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, Western Lewis-Rectorville District shall file its responses to the Staff's request for information, attached to this Order as Appendix B.

3. Western Lewis-Rectorville 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, Staff shall file with the Commission and serve upon all parties of record a written report (Staff Report) containing its recommendations regarding Western Lewis-Rectorville District'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 Western Lewis-Rectorville District's financial condition supports a higher rate than Western Lewis-Rectorville District proposes or the assessment of an additional rate or charge not proposed in Western Lewis-Rectorville District's application, Western Lewis-Rectorville District 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 Western Lewis-Rectorville District accounts for the depreciation of Western Lewis-Rectorville District's assets, Western Lewis-Rectorville District in its response to the Staff Report shall also state its position in writing on whether the Commission should require Western Lewis-Rectorville District 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. 2020-00085[3] 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).

Entered on this 12th day of November, 2026.

PUBLIC SERVICE COMMISSION

Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:

Justin McNeil
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00221 DATED NOV 12 2026

Requests for intervention shall be filed no later than 11/20/2026

All requests for information to Western Lewis-Rectorville District shall be filed no later than 11/30/2026

Western Lewis-Rectorville District shall file responses to requests for information no later than 12/14/2026

All supplemental requests for information to Western Lewis-Rectorville District shall be filed no later than 01/07/2027

Western Lewis-Rectorville District shall file responses to supplemental requests for information no later than 01/21/2027

Commission Staff's Report shall be filed no later than..... 03/01/2027

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00221 DATED NOV 12 2026

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO WESTERN LEWIS-RECTORVILLE WATER AND GAS DISTRICT

Western Lewis-Rectorville Water and Gas District (Western Lewis-Rectorville 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 December 14, 2026. The Commission directs Western Lewis-Rectorville District to the Commission's July 22, 2021 Order in Case No. 2020-00085[1] 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.

[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).

Western Lewis-Rectorville District shall make timely amendment to any prior response if Western Lewis-Rectorville District obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Western Lewis-Rectorville District fails or refuses to furnish all or part of the requested information, Western Lewis-Rectorville 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, Western Lewis-Rectorville 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. Refer to 807 KAR 5:001, Section 17(2)(b). Provide a narrative explanation, screen shots and any other evidence documenting Western Lewis-Rectorville District's compliance with the referenced regulation.

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

3. Refer to the nonrecurring Charge Cost Justification form available on the Commission's website at the following link, https://psc.ky.gov/Home/UtilForms. Complete

the attached form for each of Western Lewis-Rectorville District's nonrecurring charges, individually, to support each nonrecurring charge listed in the tariff.

4. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2025 and 2026 year to date.

5. Explain whether Western Lewis-Rectorville District has any special contract customers that are being billed a rate different from the current tariff rates. If so, provide the contract and provide the monthly and annual usage for each special contract customer.

6. State whether Western Lewis-Rectorville District has shared costs between its gas and water divisions. If yes, state how Western Lewis-Rectorville District allocates those costs.

7. Refer to Western Lewis-Rectorville District's 2025 annual reports (for water and gas) filed with the Commission. Western Lewis-Rectorville District's 2025 water annual report includes $2,151,224 in long-term debts[2] while its 2025 gas annual report does not include any long-term debt[3] Confirm all Western Lewis-Rectorville District's outstanding debt is associated with costs of running its water operation and were not shared between water and gas. If not confirmed, explain.

8. Provide the following financial information.

   a. The general ledger for 2025.

   b. The trial balance for 2025.

[2] 2025 Water Annual Report at 18.

[3] 2025 Gas Annual Report at 13.

c. A reconciliation of the Test Year Schedule of Adjusted Operations provided in the application to each revenue and expense category to trial balance by account numbers and amounts.

d. All calculations and supporting information that supports each pro forma adjustment in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

e. An itemization of Miscellaneous Service Revenues and state whether each of the components is expected to recur.

f. Current billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible including support for all adjustments to calculations.

g. Proposed billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible including support for all adjustments to calculations.

9. Provide the following information related to Employee Benefits.

a. Provide a detailed description of each fringe benefit offered to employees and state whether there were any significant changes subsequent to the test year.

b. Provide copies of the most recent invoice for each benefit.

c. State the amount that the employee is required to contribute to each benefit based on coverage classification (employee only, employee and spouse, family, etc.). If the required contribution is zero, state as such.

10. Provide the following information related to Western Lewis-Rectorville District's Tariff.

a. Provide the number of charges accrued and the revenue generated from each nonrecurring charge for the test year 2025.

b. Provide the number of new tap installations during the test year, individually provide the labor and materials costs and state whether they were capitalized.

c. Provide the date that the billing cycle begins (meter read date) and state whether that date is best as the effective date of any order the Commission issues concerning rates in this case.

11. Provide the following information related to Governance.

a. A statement of whether Western Lewis-Rectorville District has a combined water and gas board of commissioners. If not, provide an explanation for how the governing of Western Lewis-Rectorville District generally works.

b. An explanation of a formal process used for discussion and approval of the following:

(1) Changes to Western Lewis-Rectorville District's Tariff.

(2) Large Scale System Upgrades/Repairs (Including the development of a capital plan, funding options for projects).

(3) Employee Wages/Benefits.

(4) Signoffs/Approvals of Expenditures.

c. Provide copies of all written personnel policies for all compensation and benefits.

d. State the frequency of which Western Lewis-Rectorville District projects future rates and for what periods that they project.

12. Provide minutes from Western Lewis-Rectorville District's board/director meetings that authorize current salaries and wages for all current employees.

13. Provide Western Lewis-Rectorville District's Gas Cost Adjustment Revenues and Gas Purchasing/Production Costs. Confirm none of these costs/revenues are included in the Schedule of Adjusted Operations provided in the Application.

14. Provide the following information related to Rate Case Expense:

a. Copies of all contracts executed with any consultant utilized for the rate application. State whether the contract amounts are fixed or the extent to which they may vary, either up or down, from the quoted amount.

b. State whether the expected rate case expense will be paid for by the utility or a third party (i.e., grant funds).

c. Any additional invoices through date of Western Lewis-Rectorville District's response to Staff's Report.

d. A calculation of rate case amortization expense and the basis for the amount calculated (e.g., number of years and reasoning).

15. Provide the following information related to Depreciation Expense.

a. Provide a detailed list of fixed assets that reconciles to test-year depreciation that was reported in the annual report that is filed with the Commission.

b. List any significant fixed asset items that were placed in service subsequent to the test year and provide the calculated depreciation.

c. Provide any evidence or studies used to determine the useful life of Western Lewis-Rectorville District's assets.

16. Refer to Western Lewis-Rectorville District's Application, page 10, attachment entitled "Reason for Application" that states in part, "only basic repairs and maintenance have been done on the gas service due to lack of funds. Therefore, the funds requested will also be used for updates to gas equipment."

a. Provide an approximate age of Western Lewis-Rectorville District's gas system.

b. Explain whether Western Lewis-Rectorville District has identified any portions of its system that require significant maintenance or upgrades. If so, provide a list of each item.

c. State whether the costs of updating the gas equipment have been explored and if applicable, provide those estimates.

d. State whether Western Lewis-Rectorville District has explored non-operation funds (loans, bonds, grants) to maintain its system.

17. State whether Western Lewis-Rectorville District has recently completed any pipeline replacement projects or has plans to replace parts of its system.

18. Provide an estimated mileage for each type of pipeline in Western Lewis-Rectorville District's System.

19. 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, pay rates, match cost for each employee for the years ended December 31, 2025, 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. Employee names should be redacted from all documents.

a. Provide any calculations or descriptions for how wages were allocated for employees who perform work for both water and gas division.

b. Provide a summary of overtime hours worked and costs that were due to vacant positions and thus will be eliminated when the vacant positions are filled.

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

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

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

20. Refer to the Application, unnumbered PDF, page 13. Confirm whether the 500 residential customers and 50 commercial customers listed represent estimates or the actual number of customers that Western Lewis-Rectorville District serves under each respective class.

a. If they are actual, then provide supporting documentation that confirms there are 500 residential customers and 50 commercial customers.

b. If no, then advise on the actual number of customers under each respective class.

Service List for Case 2026-00221

* Lyn Rhonemus
8044 KY 3161
Maysville, KY 41056

* Western Lewis-Rectorville Water and Gas District
8044 KY 3161
Maysville, KY 41056-9344

* Sharon Dennison
Senior Office Clerk
Western Lewis-Rectorville Water and Gas District
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Maysville, KY 41056-9344

* Denotes served by Email