

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER)
ADJUSTMENT FILING OF EAST LOGAN) CASE NO. 2024-00400
WATER DISTRICT)

RESPONSE TO NOTICE OF FILING DEFICIENCY
AND MOTION TO SUBSTITUTE A REVISED SCHEDULE OF
CURRENT AND PROPOSED RATES

East Logan Water District (“East Logan” or “the District”) submits this response to the Executive Director’s letter of January 9, 2025 and moves to substitute the revised schedule of current and proposed rates (“Revised Exhibit C”) attached to this Motion and to permit this substitution to relate back to the date of the Application’s submission.

For its Response and in support of its Motion, the District states:

1. The District filed its application for purchase water adjustment on December 27, 2024.
2. In her letter of January 9, 2025, the Commission’s Executive Director states that the District’s application is deficient because it fails to contain “the calculation and all supporting documents used to determine the change in purchased water costs sufficient to determine the accuracy of the calculation.” She further states that the “Current Rates for 3-inch Meter, First 30,000 Gallons and the proposed Leak Adjustment rate are incorrect.”
3. The Executive Director’s finding of a deficiency is error. The application contains all documents that 807 KAR 5:068 requires, including a completed Purchased Water Adjustment Form 1, a schedule listing the current and proposed rates, a copy of the resolution of the District’s Board of Commissioners authorizing the proposed rates, a statement of water purchases and retail

sales, the calculations for the proposed adjustment in portable document format (“PDF”) and Excel spreadsheet format¹ and a copy of the notice of wholesale rate increase from the District’s wholesale supplier. These documents clearly show how the proposed purchased water adjustment was determined.

4. The Executive Director implicitly concedes in her letter of January 9, 2025, that the submitted calculations and documents were sufficient to determine the accuracy of the District’s calculation when she states that **two rates are incorrect**. How could Commission Staff determine that those two rates are incorrect if the District’s application does not contain the necessary calculations and supporting documents?

5. As to the inaccuracies alleged in the letter of January 9, 2025, they are not filing deficiencies and do not constitute grounds for rejecting the District’s application. 807 KAR 5:068, Section 1(1) states the required contents of an application for purchased water adjustment. It does not require that the District’s calculations or proposed rates be error-free. To the contrary, Section 6(1) implicitly recognizes the possibility of applicant error by providing that the Commission may enter an “order approving or denying the proposed rates or **establishing revised rates** [emphasis added].”

6. The rejection of the District’s Application departs significantly from the Commission’s actions in recent cases in which the Commission has accepted for filing applications containing readily apparent calculational errors in proposed rates without requiring corrections and addressed the need for revised rates in its orders authorizing an adjustment of rates.²

¹ The Excel spreadsheet is embedded in the PDF version and can be accessed using Adobe Acrobat Reader or comparable software. At page 2 of the Application, the District states: “An Excel Spreadsheet with calculations is embedded in this document.” The formulas used to derive the purchased water adjustment factor are found in this spreadsheet.

² See, e.g., *Electronic Purchased Water Adjustment Filing of Rowan Water, Inc.*, Case No. 2024-00301 (Ky. PSC Oct. 18, 2024) (proposed rates contained incorrect rate for one rate block for one-inch meter); *Electronic Purchased Water Adjustment Filing of Montgomery County Water District No.1*, Case No. 2024-00368 (Ky. PSC Sep. 20, 2024)

7. As the Application as originally filed meets the requirements of 807 KAR 5:068, Section 1(d), no deficiency exists. The Application should be accepted for filing as of December 27, 2024.

8. The District acknowledges that, while the purchased water adjustment factor of \$0.05 per 1,000 gallons is correct, the proposed rates reflecting this adjustment incorrectly state the District's minimum rate for 3-inch meters and Leak Adjustment Rate. Due to a typographical error, the minimum rate for 3-inch meters incorrectly stated as \$222.55 and not \$222.56. As to the proposed Leak Adjustment Rate, the District applied the wholesale supplier's increase of \$0.03 per 1,000 gallons rather than the purchased water adjustment factor of \$0.05 per 1,000 gallons under the mistaken belief that the Leak Adjustment Rate was intended to recover only the wholesale cost of water when a leak adjustment was appropriate. Applying the purchased water factor results in a rate of \$3.38 per 1,000 gallons, not the listed \$3.36 per 1,000 gallons. Attached to this Response is Revised Exhibit C, which is a revised schedule of current and proposed water rates.

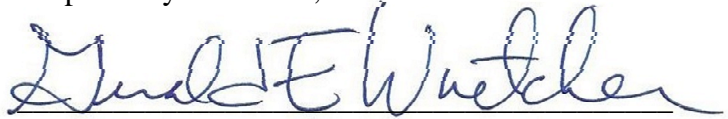
9. As the inaccuracies did not affect to the Commission's ability to determine the accuracy of the proposed rates or the purchased water adjustment factor, and as the errors were inadvertent and not intended to mislead or confuse the Commission, the District requests leave to substitute Revised Exhibit C for Exhibit C to the Application in this matter and that the substitution be permitted to relate back to the date of the submission of the original application.

(proposed wholesale rate was incorrect); *Electronic Purchased Water Adjustment Filing of Muhlenberg County Water District*, Case No. 2024-00213 (Ky. PSC Aug. 2, 2024) (proposed rate for four-inch meter incorrectly calculated); *Electronic Purchased Water Adjustment Filing of North Shelby Water Company*, Case No. 2023-00205 (Ky. PSC Oct. July 20, 2023) ("scrivener error" in one rate block for one-inch meter noted); *Electronic Purchased Water Adjustment Filing of West Shelby Water District*, Case No. 2023-00193 (Ky. PSC June 30, 2023) (numerous errors in current and proposed rates noted and corrected); *Electronic Purchased Water Adjustment Filing of Jessamine County Water District No. 1*, Case No. 2022-00249 (Ky. PSC Sep. 7, 2022) (deficiency letter issued for reasons unrelated to calculation of proposed rates and purchased water adjustment factor but purchased water adjustment factor subsequently found to be incorrectly calculated requiring significant revisions to proposed rates).

WHEREFORE, East Logan Water District requests (1) the Commission declare the District's application meets the filings requirements set forth in 807 KAR 5:068 and is accepted for filing as of December 27, 2024; and (2) allow the District to substitute Revised Exhibit C for Exhibit C of the District's Application and allow the substitution to relate back to the date on which the application was submitted to the Commission.

Dated: January 11, 2025

Respectfully submitted,



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Counsel for East Logan Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on January 11, 2025 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.



Gerald E. Wuetcher

REVISED EXHIBIT C

CURRENT RATES

5/8-Inch Meter	
First 2,000 Gallons	\$ 21.67 Minimum Bill
Next 2,000 Gallons	\$ 10.28 per 1,000 Gallons
Next 2,000 Gallons	\$ 9.85 per 1,000 Gallons
Next 4,000 Gallons	\$ 8.63 per 1,000 Gallons
Over 10,000 Gallons	\$ 6.23 per 1,000 Gallons
1-Inch Meter	
First 4,000 Gallons	\$ 42.23 Minimum Bill
Next 2,000 Gallons	\$ 9.85 per 1,000 Gallons
Next 4,000 Gallons	\$ 8.63 per 1,000 Gallons
Over 10,000 Gallons	\$ 6.23 per 1,000 Gallons
1 1/2-Inch Meter	
First 6,000 Gallons	\$ 61.93 Minimum Bill
Next 4,000 Gallons	\$ 8.63 per 1,000 Gallons
Over 10,000 Gallons	\$ 6.23 per 1,000 Gallons
2-Inch Meter	
First 10,000 Gallons	\$ 96.45 Minimum Bill
Over 10,000 Gallons	\$ 6.23 per 1,000 Gallons
3-Inch Meter	
First 30,000 Gallons	\$221.06 Minimum Bill
Over 30,000 Gallons	\$ 6.23 per 1,000 Gallons
4-Inch Meter	
First 50,000 Gallons	\$345.65 Minimum Bill
Over 50,000 Gallons	\$ 6.23 per 1,000 Gallons
6-Inch Meter	
First 100,000 Gallons	\$657.15 Minimum Bill
Over 100,000 Gallons	\$ 6.23 per 1,000 Gallons
8-Inch Meter	
First 160,000 Gallons	\$968.65 Minimum Bill
Over 160,000 Gallons	\$ 6.23 per 1,000 Gallons
Leak Adjustment	
	\$ 3.33 per 1,000 Gallons

PROPOSED RATES

5/8-Inch Meter	
First 2,000 Gallons	\$ 21.77 Minimum Bill
Next 2,000 Gallons	\$ 10.33 per 1,000 Gallons
Next 2,000 Gallons	\$ 9.90 per 1,000 Gallons
Next 4,000 Gallons	\$ 8.68 per 1,000 Gallons
Over 10,000 Gallons	\$ 6.28 per 1,000 Gallons
1-Inch Meter	
First 4,000 Gallons	\$ 42.43 Minimum Bill
Next 2,000 Gallons	\$ 9.90 per 1,000 Gallons
Next 4,000 Gallons	\$ 8.68 per 1,000 Gallons
Over 10,000 Gallons	\$ 6.28 per 1,000 Gallons
1 1/2-Inch Meter	
First 6,000 Gallons	\$ 62.23 Minimum Bill
Next 4,000 Gallons	\$ 8.68 per 1,000 Gallons
Over 10,000 Gallons	\$ 6.28 per 1,000 Gallons
2-Inch Meter	
First 10,000 Gallons	\$ 96.95 Minimum Bill
Over 10,000 Gallons	\$ 6.28 per 1,000 Gallons
3-Inch Meter	
First 30,000 Gallons	\$222.56 Minimum Bill
Over 30,000 Gallons	\$ 6.28 per 1,000 Gallons
4-Inch Meter	
First 50,000 Gallons	\$348.15 Minimum Bill
Over 50,000 Gallons	\$ 6.28 per 1,000 Gallons
6-Inch Meter	
First 100,000 Gallons	\$662.15 Minimum Bill
Over 100,000 Gallons	\$ 6.28 per 1,000 Gallons
8-Inch Meter	
First 160,000 Gallons	\$976.15 Minimum Bill
Over 160,000 Gallons	\$ 6.28 per 1,000 Gallons
Leak Adjustment	
	\$ 3.38 per 1,000 Gallons