

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
MEADE COUNTY WATER DISTRICT)	2025-00293

RESPONSE OF MUHLENBERG COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION DATED NOVEMBER 22, 2025

Commission expiration: Sept 18, 2028

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 1

Responding Witness: Brett Pyles

Q-1. Refer to the Application, Attachment 7, Depreciation Expense Adjustments, 2023 Water System Improvements Project.

- a. Explain whether the project has been placed into service or if it is still under construction.
- b. Identify the case number for the Certificate of Public Convenience and Necessity (CPCN) approval. If a CPCN was not sought, explain why one was not required.
- c. Identify how the project is being financed.
- d. If the project has been placed in service, provide a breakdown of the component assets acquired for the project and their service lives. If the project has not been completed, provide the anticipated completion date.

A-1.

- a. The project has not yet been placed into service and is not yet under construction. The project is expected to go out for bid the middle to end of December 2025.
- b. A Certificate of Public Convenience and Necessity has not yet been requested because bids must be included in the CPCN approval request.
- c. The project is being financed by a USDA/RD Loan payable over 40 years.
- d. Because the project has not yet been bid, the anticipated completion date is uncertain. The best available estimate at this time of the anticipated completion date is the fourth quarter of 2026.

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 2

Responding Witness: Brett Pyles

- Q-2. Refer to Meade District's response to Commission Staff's First Request for Information (Staff's First Request), Item 4, 4_Rate_Model.xlsx, Debt Service tab, Row 16. Item 4 identifies a USDA/RD Loan for 7.659 million that is included in the calculation of the Average Annual Principal and Interest calculation. Also refer to the response to Staff's First Request, Item 15a.
- a. Item 15a states the USDA/RD Loan does not have a Case Number. Confirm if the USDA/RD Loan has already been issued.
 - b. Identify the date the USDA/RD Loan application seeking approval was filed. If the USDA/RD Loan application has not been filed, provide the expected date of filing.
 - c. If the USDA/RD Loan has already been issued, provide the date of issuance and the documentation required by 807 KAR 5:076, Section 4(1)(b).
 - d. If the loan has not been issued, provide the expected date the USDA/RD Loan will be issued.
- A-2.
- a. The USDA/RD loan has not yet been issued.
 - b. The USDA/RD Loan application seeking approval was filed on March 4, 2025.
 - c. The USDA/RD loan has not yet been issued.

- d. The expected date when the USDA/RD loan will be issued is May 2027, with initial interest only payment due July 1, 2027 and the initial principal and interest payment due January 1, 2028.

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 3

Responding Witness: Brett Pyles

Q-3. Refer to Meade District's response to Staff's First Request, Item 3c, 3c_Cross_Reference.xlsx.

- a. Account No. 605.8 Administrative & General, Advertising & Marketing. Provide a description and invoice for each transaction in Account No. 605.8 Administrative & General, Advertising & Marketing.
- b. Provide a description and invoice for each transaction in Account No. 646.8 Administrative & General, Gifts.
- c. Provide an explanation or the case number that corresponds to the \$5,476 in Account No. 666.8 Administrative & General, Regulatory Expense – Amortization of Rate Case Expense.
- d. Identify the amount of unamortized rate case expense that will not have been recovered as of December 31, 2025.

A-3.

- a. See file 2-3a_Legal_Advertisements
- b. See file 2-3b_Gift_Cards_Flowers
- c. Mead District is unable to locate the Mastercard bills for two months. The \$1,964.28 is for employees' birthday gift cards and the \$79.50 is for flowers for funeral for a Board member's son.

See file 2-3c_PSC_Assessment_2024

- d. All previously unamortized expenses will have been recovered as of December 31, 2025,

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 4

Responding Witness: Brett Pyles

Q-4. Refer to Meade District's response to Staff's First Request, Item 3b, 3b_Trial_Balance_2024.xlsx, Row 166, Account 707 Grant Income. Confirm no costs associated with the projects funded by the grant were included in the Operation Expenses. If not confirmed, identify the costs included in the Operating Expenses.

A-4. All Grant monies were used on "Grant Projects" ARPA or 1638; none of the funds were used on "operation expenses."

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 5

Responding Witness: Brett Pyles

- Q-5. Refer to Meade District's response to Staff's First Request, Item 12b. The Fiscal Court minutes submitted refers to KRS 72.020. KRS 72.020 refers to the Duty of person, hospital, or institution finding or possessing dead body – Duties of Coroner, law enforcement officer, embalmer, funeral director, or ambulance service. Confirm the statute reference is a typographical error. If confirmed, identify the correct statute reference. If not confirmed, explain the response.
- A-5. The statute reference is a typographical error. The statute reference should have been KRS 74.

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 6

Responding Witness: Robert K. Miller

Q-6. Refer to Meade District's response to Staff's First Request, Item 13a.

- a. Provide the Kentucky Rural Water Association contract or quote for the estimated rate case expense.
- b. Provide all actual invoices for expenses. Consider this an ongoing request.

A-6.

- a. See file 2-6a_Rate_Study_Proposal_Meade_County_Water_District
- b. There have been no invoices yet from Kentucky Rural Water Association.

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 7

Responding Witness: Robert K. Miller

- Q-7. Refer to Meade District's response to Staff's First Request, Item 6, Item 19, 19_Penalties_for_2023_and_2024_and_2025.pdf, and Item 20, 20_Nonrecurring_Charges.xlsx. In its response to Item 6, Meade District stated that "[t]he entire amount of Other Water Revenues of \$99,548 is composed of Penalties & Charges Revenue which will recur." In Item 19, penalties are reported in the amount of \$53,373 for the test year, and in Item 20, Other Nonrecurring Charges total \$38,163, resulting in a combined amount of \$91,536. This produces a difference of \$8,012 from the total Other Water Revenues reported in Item 6. Reconcile and explain the \$8,012 difference.
- A-7. Meade District changed their software providers for their billing system in 2024. It appears that the \$8,012 difference is attributable to numbers being transferred from UMS to Muni-Link. The correct numbers are:

Late Charges	\$53,373
Other Charges	<u>\$46,176</u>
Total Other Water Revenues	\$99,549

See file 2-7_2024_Utility_Billing_Revenue

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 8

Responding Witness: Robert K. Miller

- Q-8. Refer to Meade District's response to Staff's First Request, Item 9d. Confirm that Meade District would propose the same adjustment to employee health premiums based on Bureau of Labor Statistics (BLS) data as it did if the precedent for the Commission to authorize base employee health insurance premiums based on BLS data did not exist. If not confirmed, explain what adjustment would be requested.
- A-8. Meade District would not propose the same adjustment to employee health premiums based on Bureau of Labor Statistics (BLS) data as it did if the precedent for the Commission to authorize base employee health insurance premiums based on BLS data did not exist. Instead, Meade District would propose an adjustment of \$17,716.27 to reflect the full cost of employee health premiums.

See file 2-8_Rate_Model Tab Medical Cell C26

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 9

Responding Witness: Brett Pyles

- Q-9. Refer to Meade District's response to Staff's First Request, Item 3d, 3d_2024_Depreciation.xlsx, Meter & Meter Installation (334). For each asset depreciated over 10 years, confirm the asset is a radio read meter. If not, identify the asset and explain why it is being depreciated over 10 years.
- A-9. All of Meade District's meters are Radio Read meters.

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 10

Responding Witness: Brett Pyles

Q-10. Refer to Meade District's response to Staff's First Request, Item 5b. Verify that Meade District issued zero billing adjustments or leak adjustments to its customers during the test year.

A-10. Meade District issued leak adjustments that were erroneously excluded from the rate model.

01/01/2024 to 09/30/2024	\$12,467.10
10/01/2024 to 12/31/2024	<u>\$ 6,306.80</u>
	\$18,773.90

Meade County Water District

CASE NO. 2025-00293

Response to Commission's Second Request for Information

Question No. 11

Responding Witness: Brett Pyles

Q-11. Refer to response to Staff's First Request, Item 21. Provide updated cost justification sheets for the nonrecurring charges listed in the tariff but not yet provided: Connection/Turn-on Charge, Connection/Turn-on Charge After Hours, Meter Re-read Charge, Service Call/Investigation, Service Call/Investigation (After Hours), Reconnection Charge, and Meter Tampering Charge.

A-11. See files 2-11_Connection_Turnon_After_Hours
2-11_Connection_Turnon
2-11_Meter_Reread_Charge
2-11_Meter_Tampering
2-11_Reconnection_Charge
2-11_Service_Call_Investigation_After_Hours
2-11_Service_Call_Investigation