

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WESTERN)	
MASON COUNTY WATER DISTRICT FOR A)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR)	2023-00182
5:076)	

ORDER

On July 10, 2023,¹ Western Mason County Water District (Western Mason 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 Western Mason District's application. The procedural schedule is attached as Appendix A to this Order.

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

¹ Western Mason District tendered its application on May 30, 2023. By letter dated June 6, 2023, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on July 10, 2023.

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

Walt Cole
Chairman

Angie Halton
Vice Chairman

May Pat Regan
Commissioner

*more
signing
on &
w/c.*

ENTERED
AUG 08 2023 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

Linda C. Bridwell
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00182 DATED AUG 08 2023

Requests for intervention shall be filed no later than08/21/2023

All requests for information to Western Mason District
shall be filed no later than08/28/2023

Western Mason District shall file responses to requests
for information no later than09/12/2023

All supplemental requests for information to
Western Mason District shall be filed no later than09/26/2023

Western Mason District shall file responses to supplemental
requests for information no later than10/09/2023

Commission Staff's Report shall be filed no later than.....11/16/2023

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00182 DATED AUG 08 2023

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

Western Mason County Water District (Western Mason 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 September 12, 2023. The Commission directs Western Mason 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.

Western Mason District shall make timely amendment to any prior response if Western Mason 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 Western Mason District fails or refuses to furnish all or part of the requested information, Western Mason 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 Mason 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 unprotected and fully accessible:

a. The general ledger for the calendar years 2021 and 2022; and the trial balance for the calendar years 2021 and 2022 and year to date 2023.

b. Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years 2021 and 2022 and year to date 2023.

c. Minutes from Western Mason District's commissioner meetings for the calendar years 2021, 2022, and year to date 2023.

d. A document listing the employee identification (Position 1, Position 2, etc.), job titles, job description, hours worked, and pay rates for each employee during the test year and for those currently employed. Employee names should be excluded.

e. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous three years.

f. Provide a copy of the most recent invoice received for each health, dental, life, other insurance policies provided to Employees.

g. A document listing the name of all commissioners for each of the two previous years, 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.).

h. Refer to the Application, Exhibit 4, Schedule of Adjusted Operations, References. Provide all workpapers used to generate the proposed adjustments A-H.

2. Provide a breakdown for the number of board meetings each commissioner attended during the test year.

3. Provide training records for each commissioner for 2021, 2022, and 2023.

4. Fiscal Court minutes approving each commissioner's appointment and compensation.

5. Provide the total amount of Late Payment Penalties recorded and the number of occurrences during 2022 and 2023 to date.

6. Provide a schedule listing the number of occurrences for each nonrecurring charge that was assessed 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 zero revenue was recorded.

7. Provide a copy of the most recent invoice for each general business (auto, worker's comp, property and casualty, liability, other) insurance policy.

8. Provide updated cost justification information to support each nonrecurring charge listed in Western Mason District's tariff.

9. Provide the number of new tap-ons installed by meter size for 2022.

a. State whether Western Mason District keeps a record of the dollar amounts of labor and materials used to install new customer taps. If so, state the amount of labor expense and materials expense for the test year and where it is located in the general ledger;

b. Separately state the amounts expensed to install each meter; and

c. Provide updated cost justification information to support the Meter Connection/Tap-On Charges listed in Western Mason District's tariff.

10. Refer to Application, Exhibit 4, Table B, Debt Service Schedule. For each outstanding debt issuance still active; provide the case number in which Western Mason District was authorized to issue the debt.

11. Provide a copy of the most recent cost-of-service-study (COSS) performed for Western Mason District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

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

b. Explain whether Western Mason District considered filing a COSS with the current rate application and the reasoning for not filing one.

c. Explain whether any material changes to Western Mason District's system would cause a new COSS to be prepared since the last time it has completed one.

d. If there have been no material changes to Western Mason District's system, explain when Western Mason District anticipates completing a new COSS.

12. Refer to Western Mason District's Application, Current Billing Analysis.

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

b. Provide a list of applicable adjustments made to the billing analysis and include an explanation of each adjustment.

13. Refer to Western Mason District's current Tariff dated February 1, 2007, unnumbered page, approximately mid page there is a heading of Reading of Meter, this section states "that the meters will be read between the 20th day of the month and the 30th day of the month."

a. Provide the date that Western Mason District's meter-reading billing cycle begins (meter read date).

b. State if the date that the billing cycle begins is the date that would best be stated as the effective date of any Order the Commission issues concerning rates in this case.

14. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, provide a detailed itemization of the charges that are included in the Other Water Revenue of \$32,475.

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