

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------------|---|------------|
| ELECTRONIC APPLICATION OF MAGOFFIN |) | CASE NO. |
| COUNTY WATER DISTRICT FOR A RATE |) | 2023-00299 |
| ADJUSTMENT PURSUANT TO 807 KAR 5:076 |) | |

ORDER

On November 7, 2023,¹ Magoffin County Water District (Magoffin 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 Magoffin District’s application. The procedural schedule is attached as Appendix A to this Order.

In addition, Magoffin District shall file on or before the date set forth in the procedural schedule its responses to the Commission Staff’s first 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 Magoffin District tendered its application on September 8, 2023. By letters dated September 12, 2023, and October 30, 2023, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on November 7, 2023.

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

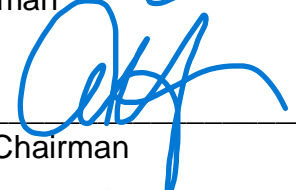
13. Any motion to intervene filed after the date established in the procedural schedule attached as Appendix A to this Order shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

14. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085³ 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


Chairman


Vice Chairman


Commissioner

ENTERED
DEC 04 2023 bsb
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00299 DATED DEC 04 2023

Requests for intervention shall be filed no later than 12/07/2023

Intervenor requests for information to Magoffin District
shall be filed no later than 12/14/2023

Magoffin District shall file responses to requests
for information no later than 12/28/2023

All supplemental requests for information to
Magoffin District shall be filed no later than 01/11/2024

Magoffin District shall file responses to supplemental
requests for information no later than 01/25/2024

Commission Staff's Report shall be filed no later than..... 03/07/2024

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00299 DATED DEC 04 2023

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

Magoffin County Water District (Magoffin 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 28, 2023. The Commission directs Magoffin 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.

Magoffin District shall make timely amendment to any prior response if Magoffin District obtains information that indicates the response was incorrect or incomplete when

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made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Magoffin District fails or refuses to furnish all or part of the requested information, Magoffin 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, Magoffin 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 and the trial balance for the calendar years 2022 and 2023 to date.

b. Adjusted trial balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years 2022 and 2023 to date.

c. Minutes from Magoffin District's commissioner meetings for the calendar years 2022 and 2023 to date.

d. Copies of property, automotive and liability insurance invoices and coverage declarations for 2022 and 2023 to date.

e. A document listing the job titles, job description, hours worked, pay rates, hire dates, termination dates, FICA withholding (both Social Security and Medicare tax) and total amounts paid for each employee during 2022 and 2023 to date.

f. Minutes from Magoffin District's commissioner meetings, authorizing current salaries and wages for all current employees.

g. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee during calendar years 2022 and 2023 to date. Include the required employee contribution percentage for each benefit.

h. A document listing the name of all commissioners for each of the three 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.).

i. Fiscal Court minutes that authorize the appointment, beginning and ending of term, and annual compensation of each commissioner.

j. Refer to the Application, 04_SAO_and_Rev_Reqmt.pdf, References. Provide all workpapers used to generate the proposed adjustments.

2. Refer to the Magoffin District's Response to filing deficiencies, filed October 25, 2023, Exhibit A, Depreciation Expense, Table A Depreciation Expense adjustments table and Magoffin District's response to deficiencies, Exhibit B, Federal Asset Report. In the revised application Transportation expense is recorded as \$16,291, however in the

Federal Asset Report records Transportation Equipment as \$20,471. Reconcile the difference.

3. Provide a copy of the most recent invoice received for all employee benefits provided to employees.

4. Provide a monthly breakdown, in both gallons and dollar amount including grant totals, of water purchased from each supplier for 2022 and year to date 2023.

5. Provide the current rate charged by each supplier from whom Magoffin District purchases water.

6. Provide the number of new water connections that Magoffin District installed in calendar year 2022.

7. Refer to Magoffin District's Tariff, PSC Ky. No. 1, Original Sheet No. 10(C)(3), Billing, Meter Readings and Related Information, Frequency of meter reading.

a. Provide the date that Magoffin District 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.

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

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

b. Explain whether any material changes to Magoffin District 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 Magoffin District system, explain when Magoffin District anticipates completing a new COSS.

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

9. Refer to the Application, Schedule of Adjusted Operations, provide an itemization of the Other Water Revenues, stated as \$32,187.

a. Refer to the Application, Current Billing Analysis 2022 Usage and Existing Rates and Proposed Billing Analysis 2022 Usage and Proposed Rates. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

10. Provide a schedule listing the number of occurrences for each nonrecurring charge that was 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.

11. Provide updated cost justification sheets to support each nonrecurring charge listed in Magoffin District's tariff.

12. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Magoffin District's tariff.

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