

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF RATTLESNAKE )	CASE NO.
RIDGE WATER DISTRICT FOR A RATE )	2023-00338
ADJUSTMENT PURSUANT TO 807 KAR 5:076 )	

ORDER

On December 6, 2023,<sup>1</sup> Rattlesnake Ridge Water District (Rattlesnake Ridge 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 schedule<sup>2</sup> should be established to ensure the orderly review of Rattlesnake Ridge District's application. The procedural schedule is attached as Appendix A to this Order. In its Read First Cover Letter filed with the application, Rattlesnake Ridge District requested the Commission include a field review by Commission Staff in the procedural schedule "to gather needed information to process the application, reduce potential miscommunications, reduce the time to process the application, reduce the need for formal information requests and provide Commission Staff a clearer picture of the overall operations of the utility."<sup>3</sup> The Commission believes that a formal process for the

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<sup>1</sup> Rattlesnake Ridge District tendered its application on November 20, 2023. By letter dated November 21, 2023, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on December 6, 2023.

<sup>2</sup> No action is necessary to suspend the effective date of Rattlesnake Ridge 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.

<sup>3</sup> Application, Cover\_letter\_2023-338.pdf.

exchange of information and its inclusion in the record of the case is critical to ensuring an effective and properly documented analysis process. The Commission will evaluate the necessity of a field review after it has reviewed complete responses from Rattlesnake Ridge District to the requests in Appendix B of this Order.

In addition, Rattlesnake Ridge 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.

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, Rattlesnake Ridge District shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.
3. Rattlesnake Ridge 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 Rattlesnake Ridge 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 Rattlesnake Ridge District's financial condition supports a higher rate than Rattlesnake Ridge District proposes or the assessment of an additional rate or charge not proposed in Rattlesnake Ridge District's application, Rattlesnake Ridge 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 Rattlesnake Ridge District accounts for the depreciation of Rattlesnake Ridge District's assets, Rattlesnake Ridge District, in its response to the Commission Staff's Report, shall also state its position in writing on whether the Commission should require Rattlesnake Ridge 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. 2020-00085<sup>4</sup> regarding filings with the Commission.

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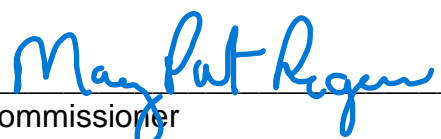
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<sup>4</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required 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 21 2023  
rCS  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00338 DATED DEC 21 2023

Requests for intervention shall be filed no later than .....01/03/2024

All requests for information to Rattlesnake Ridge District  
shall be filed no later than .....01/10/2024

Rattlesnake Ridge District shall file responses to requests  
for information no later than .....01/22/2024

Field Review .....To Be Determined

All supplemental requests for information to  
Rattlesnake Ridge District shall be filed no later than .....02/13/2024

Rattlesnake Ridge District shall file responses to supplemental  
requests for information no later than .....02/27/2024

Commission Staff's Report shall be filed no later than .....04/23/2024

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00338 DATED DEC 21 2023

#### COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO RATTLESNAKE RIDGE WATER DISTRICT

Rattlesnake Ridge Water District (Rattlesnake Ridge 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 January 22, 2024. The Commission directs Rattlesnake Ridge District to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> 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.

Rattlesnake Ridge District shall make timely amendment to any prior response if Rattlesnake Ridge District obtains information that indicates the response was incorrect

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<sup>1</sup> 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).



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 Rattlesnake Ridge District fails or refuses to furnish all or part of the requested information, Rattlesnake Ridge 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, Rattlesnake Ridge 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 year 2022 and 2023 to date.

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

c. Minutes from Rattlesnake Ridge 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, test year hours worked, test year and current pay rates, hire dates, termination dates, FICA withholding (both Social Security and Medicare tax) and total amounts paid for each employee during 2022, 2023 to date, and forecasted for the year ended December 31, 2023. Designate positions by number (i.e. Position 1, position 2, etc.) and title, and do not provide employee names.

f. Minutes from Rattlesnake Ridge District's commissioner meetings, authorizing current salaries and wage rates 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 2021, 2022, and 2023, 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.

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

3. Confirm Rattlesnake Ridge District does not purchase any water and instead produces all its water requirements.

4. Provide the number of new water connections that Rattlesnake Ridge District installed in calendar year 2022.

5. Refer to the Application, Attachment 11, 11\_1\_Rattlesnake\_Ridge\_WD\_Rate\_Study.xlsx, SAO tab, Miscellaneous Expense adjustment, Cell G54. Confirm the Pro forma \$507,284 does not include the proposed \$344,115 reduction due to the reclassification of expenses to purchased power.

6. Refer to the Application, Attachment 11, 11\_1\_Rattlesnake\_Ridge\_WD\_Rate\_Study.xlsx, Wages tab, Column I, Bonus. Explain the nature and criteria for the bonus.

7. Refer to the Application, Attachment 11, 11\_1\_Rattlesnake\_Ridge\_WD\_Rate\_Study.xlsx, SAO tab, Cells D22 and D51; also refer to the Wages Tab, Cell M31. Confirm if the Employee Pensions and Benefits amount of \$238,631 and the Taxes other Than Income amount of \$53,557 both contain the same \$53,557 for FICA and MC Expense.

8. Refer to Schedule of Adjusted Operations adjustment "M" which requests amortization of estimated rate case expenses of \$8,250 over a three-year period. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses incurred to date for the following categories:

- (1) Accounting;
- (2) Engineering;
- (3) Legal;
- (4) Consultants; and

(5) Other Expenses (Identify separately).

b. For each category identified in Item 7.a., the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the test year.

c. An itemized estimates of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in Item 7.a., with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

d. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in Items 7.a. and 7.b., and a cumulative total of cost incurred to date for each category. Updates will be due when the utility files its monthly financial statements with the Commission, through the month of the public hearing.

9. Refer to Rattlesnake Ridge 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 Rattlesnake Ridge District billing cycle begins (meter read date). 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.

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

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

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

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

11. Refer to the Application, Schedule of Adjusted Operations.

a. Explain the reduction to Water Sales Revenues by the amount of \$188,328.

b. Explain the notation in the Schedule of Adjusted Operations references (B), that describes the above adjustment as the result of an increase in rates.

c. Explain if there are any additional revenues in the Total Metered Retail Sales of \$3,077,405 (such as Forfeited Discounts or Other Water Revenues).

12. Provide a schedule listing the number of occurrences for each nonrecurring charge that was recorded during the test year, the total amount recorded, and the general ledger accounts where amounts were 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.

13. Provide updated cost justification sheets to support each nonrecurring charge listed in Rattlesnake Ridge District's tariff.

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

15. Provide all Rattlesnake Ridge District's Board of Commissioner minutes discussing and subsequently authorizing a new office building. Include any relevant financing information in the response.

16. Refer to the Application, Attachment 5 current rate the Billing Analysis and Attachment 6, the proposed rate Billing Analysis. Provide the billing analysis in a completed form, the billing analysis filed in the application the usage table is incomplete it shows no usage spread within the table.

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