

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
COLUMBIA/ADAIR UTILITIES DISTRICT FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY FOR A SYSTEM IMPROVEMENTS)	2024-00250
PROJECT AND AN ORDER AUTHORIZING THE)	
ISSUANCE OF SECURITIES PURSUANT TO)	
KRS 278.300)	

ORDER

On August 16, 2024,¹ Columbia/Adair Utilities District (Columbia/Adair District) filed an application with the Commission, pursuant to KRS 278.300 and KRS 278.020, requesting Commission approval of a Certificate of Public Convenience and Necessity and associated financing to improve the water treatment plant, rehabilitate six distribution system storage tanks, and extend water lines to an area currently not served.

KRS 278.300(2) provides that the Commission must adjudicate an application for authority to issue an evidence of indebtedness within 60 days of the date that the application was filed. KRS 278.300(2) also provides that the Commission can continue its review of the application for longer than 60 days upon showing of good cause, though the Commission must issue a final order within eight months.

After reviewing the application and supporting documents, additional information and clarification are needed to determine the reasonable necessity and appropriateness

¹ Columbia/Adair District tendered its application on August 8, 2024. By letter dated August 12, 2024, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on August 16, 2024.

of the request. The Commission finds that as a result of the need for further investigation that the review of this matter cannot be completed by October 15, 2024. Thus, the Commission finds that good cause exists to continue the application beyond the 60-day period specified in KRS 278.300(2).

However, to facilitate a prompt review of this matter, the Commission has attached Commission Staff's First Request for Information as an Appendix to this Order and finds that Columbia/Adair District should respond to the request on or before the date set forth therein pursuant to 807 KAR 5:001, Section 4(12)(d). The Commission further finds that a procedural schedule should be established for the orderly processing of this case. The procedural schedule is attached as Appendix A to this Order.

IT IS THEREFORE ORDERED that:

1. Columbia/Adair District's application for approval of the proposed evidence of indebtedness is continued beyond the 60-day period specified in KRS 278.300(2) up to and including April 15, 2025.
2. The procedural schedule set forth in Appendix A to this Order shall be followed.
3. Columbia/Adair District shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.
4. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the

Commission's July 22, 2021 Order in Case No. 2020-00085² regarding filings with the Commission.

5. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

6. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

² 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



Commissioner



Commissioner

ENTERED
SEP 23 2024
rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00250 DATED SEP 23 2024

Last day for intervention requests to be accepted.....09/27/2024

Columbia/Adair District shall file responses to requests for information
attached as Appendix B to this Order no later than..... 09/30/2024

All supplemental requests for information to
Columbia/Adair District shall be filed no later than..... 10/14/2024

Columbia/Adair District shall file responses to supplemental
requests for information no later than 10/28/2024

Last day for parties to request a Public Hearing or submit a
request for the matter be decided based upon written record 11/01/2024

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2024-00250 DATED SEP 23 2024

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO COLUMBIA/ADAIR UTILITIES DISTRICT

Columbia/Adair Utilities District (Columbia/Adair 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 30, 2024. The Commission directs Columbia/Adair 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.

Columbia/Adair District shall make timely amendment to any prior response if Columbia/Adair 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 Columbia/Adair District fails or refuses to furnish all or part of the requested information, Columbia/Adair 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, Columbia/Adair 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. Refer to the Application at Exhibit B, Contract 1 Water Treatment Plant and Systems Improvements.
 - a. Describe the project in detail.
 - b. Explain in detail the need for each of the Water Treatment Plant and Systems Improvements included as part of Contract 1. Specifically indicate why there is a need to update the sludge dewatering equipment, install plate settlers and a sludge removal system to the sedimentation basis, and to convert the disinfection system from chlorine gas to sodium hypochlorite.

c. Identify any deficiencies at the water treatment plant that the improvements are intended to address and explain how the proposed improvements will address those deficiencies.

d. Identify and describe the alternatives that were evaluated for the improvements included as part of Contract 1, both collectively and individually, and explain why that alternative was not selected. If an alternative was not selected or was removed from consideration due to cost, explain the expected cost differences in as much detail as possible and how the expected cost differences were determined. If no alternatives were evaluated, explain in detail why no alternatives were evaluated.

e. Explain the process that led to Columbia/Adair District proposing that the Water Treatment Plant and Systems Improvements identified in Contract 1. Specifically indicate whether the projects were proposed after a review of Columbia/Adair District's treatment plant by a third-party engineering firm, and if so, explain the purpose of that review.

2. Refer to the Application at Exhibit B, Contract 2 Water Treatment Plan and Systems Improvements.

a. Describe the project in detail.

b. Explain the need for water lines on Bull Run Road and Damron Creek Road.

c. State whether Columbia/Adair District considered using any material other than PVC, and if so, state what material was considered and why PVC was the least cost, reasonable alternative.

d. State how Columbia/Adair District determined the appropriate diameter of pipe for each section, including whether and, if so, how Columbia/Adair District considered the expected demand on the lines.

e. State the number and nature (i.e. residences, industrial buildings, etc.) of the customers each waterline extension will serve when placed in service and whether Columbia/Adair District expects growth in demand on the lines after they are placed in service.

f. Provide an explanation as to how and why Bull Run Road and Damron Creek Road were selected, including how they were selected over other underserved or unserved areas, if any, in the area.

3. Refer to the Application, page 11. Provide clarification as to whether constructing water lines on Damron Creek Road is an alternative if additional funding is available or if it was considered as an alternative to Bull Run Road.

4. Refer to the Application at Exhibit B, Contract 3 Water Treatment Plant and Systems Improvements.

a. For each of the elevated distribution system storage tanks at issue in this matter, separately explain the need for the proposed rehabilitation work.

b. Provide any engineering or inspection reports completed in the last five years pertaining to the tanks at issue in this matter.

c. For each of the elevated distribution system storage tanks at issue in this matter, describe the alternatives, if any, that were considered in lieu of the proposed rehabilitation work on each tank, including the replacement or elimination of the tank, and explain why that alternative was not selected or was removed from consideration. If an

alternative was not selected or was removed from consideration due to cost, explain the expected cost differences in as much detail as possible and how the expected cost differences were determined. If no alternatives were evaluated, explain in detail why no alternatives were evaluated.

d. For each of the elevated distribution system storage tanks at issue in this matter, provide the date the tank was originally installed, and provide the current expected useful lives and remaining useful lives of the tanks and provide the extent to which the rehabilitation projects are expected to extend the useful lives of each tank.

e. Explain the process that led to Columbia/Adair District proposing that rehabilitation work on the storage tanks. Specifically indicate whether the projects were proposed after a review of Columbia/Adair District's tanks or system by a third-party engineering or inspection firm, and if so, explain the purpose of that review.

5. Refer to the project description on page 11 of the application, page 67, and 117.

a. Explain why the project description states six of the distribution system tanks will be rehabilitated, but the KIA loan states that five tanks will be rehabilitated, and the bid description provides estimates of only four tanks.

b. Provide the number and names of the storage tanks that will be rehabilitated.

6. Refer to the Application, Exhibit I, Bid Tabulation. Provide the criteria that Columbia/Adair District will use to evaluate the bids, including but not limited to cost.

7. Provide the bid expiration date for each contract.

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