

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DEXTER-ALMO )	CASE NO.
HEIGHTS WATER DISTRICT FOR A RATE )	2024-00273
ADJUSTMENT PURSUANT TO 807 KAR 5:076 )	

ORDER

On December 2, 2024,<sup>1</sup> Dexter-Almo Heights Water District (Dexter-Almo Heights District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076.

On its own motion, the Commission finds that a procedural schedule<sup>2</sup> should be established to ensure the orderly review of Dexter-Almo Heights District's application. The procedural schedule is attached as Appendix A to this Order.

In addition, Dexter-Almo Heights District should 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. Dexter-Almo Heights District should

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<sup>1</sup> Dexter-Almo Heights District tendered its application on November 11, 2024. By letter dated November 15, 2024, the Commission rejected the application for filing deficiencies. Dexter-Almo Heights District responded on to the deficiency letter on November 18, 2024; however, the Commission rejected the application for filing deficiencies on November 22, 2024. On December 2, 2024, Dexter-Almo Heights District responded to the deficiency notice. The Commission issued an Order granting Dexter-Almo Heights District a deviation from part of the notice requirement on December 27, 2024, and the application is deemed filed on December 2, 2024.

<sup>2</sup> No action is necessary to suspend the effective date of Dexter-Almo Heights 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.

also 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, Dexter-Almo Heights District shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.

3. Dexter-Almo Heights 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 Dexter-Almo Heights 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 Dexter-Almo Heights District's financial condition supports a higher rate than Dexter-Almo Heights District proposed or the assessment of an additional rate or charge not proposed in Dexter-Almo Heights District's application, Dexter-Almo Heights 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 Dexter-Almo Heights District accounts for the depreciation of its assets, Dexter-Almo Heights District in its response to the Commission Staff's Report shall state its position in writing on whether the Commission should require Dexter-Almo Heights 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>3</sup> regarding filings with the Commission.

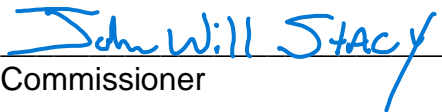
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<sup>3</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

ATTEST:

  
\_\_\_\_\_  
Executive Director RP

ENTERED  
JAN 16 2025  
AH  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2024-00273 DATED JAN 16 2025

Requests for intervention shall be filed no later than ..... 01/23/2025

All initial requests for information to Dexter-Almo Heights District  
shall be filed no later than ..... 01/30/2025

Dexter-Almo Heights District shall file responses to all initial  
requests for information no later than ..... 02/20/2025

All supplemental requests for information to  
Dexter-Almo Heights District shall be filed no later than ..... 03/06/2025

Dexter-Almo Heights District shall file responses to supplemental  
requests for information no later than ..... 03/20/2025

Commission Staff's Report shall be filed no later than..... 04/16/2025

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2024-00273 DATED JAN 16 2025

#### COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO DEXTER-ALMO HEIGHTS WATER DISTRICT

Dexter-Almo Heights Water District (Dexter-Almo Heights 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 February 20, 2025. The Commission directs Dexter-Almo Heights 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.

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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).

Dexter-Almo Heights District shall make timely amendment to any prior response if Dexter-Almo Heights District obtains information that indicates the response was incorrect 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 Dexter-Almo Heights District fails or refuses to furnish all or part of the requested information, Dexter-Almo Heights 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, Dexter-Almo Heights 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, columns, and rows unprotected and fully accessible. Employee names should be redacted from all documents.

a. The general ledger in Excel spreadsheet format for the years ended December 31, 2023, and 2024.

b. The trial balance in Excel spreadsheet format for the years ended December 31, 2023, and 2024.



c. Refer to Application, Schedule of Adjusted Operations. Provide a cross reference that matches each 2023 general ledger account to each revenue and expense line in the Schedule of Adjusted Operations and reconcile each amount that does not match.

d. Refer to the Application, Schedule of Adjusted Operations, Adjustment References. Provide all workpapers used to generate the proposed adjustments in Excel Format.

2. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty insurance for 2023 and 2024.

3. Provide a description of all employee benefits, other than salaries and wages, paid to or on behalf of each employee for the calendar year 2023. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents.

4. Provide a copy of one invoice for 2023 and one invoice for 2024 for each employee benefit described above.

5. Using a table format, provide an Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected that lists each position (Position 1, Position 2, etc.) job titles, hours worked, pay rates, total wages paid, and total FICA cost for each employee for the years ended December 31, 2023, and 2024. Include the date the employee was hired and, if applicable, the employee's termination date. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant. The table should include a column for total wages by employee

(regular wages and overtime) and a row for total wages for all employees. Employee names should be redacted from all documents.

6. Using the same table that lists each position and wage information, list each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and the adjustment based on Bureau of Labor Statistics (BLS) contribution rates, if applicable. If health insurance is provided designate the coverage type (i.e., single, family, couple, or parent plus). If benefits other than medical insurance are provided, include a total column for the cost of all benefits excluding the BLS adjustment.

7. Provide the following information related to billing software:

- a. Brand or common name for software.
- b. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.
- c. If locally installed, state the installation date.
- d. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.

8. Provide the minutes from Dexter-Almo Heights District Board of Commissioners (Board) meetings, authorizing current salaries and wages for all current employees.

9. Provide the minutes from all of Dexter-Almo Heights District Board meetings for the calendar years 2023 and 2024.

10. Provide a document listing the name of each member of the Dexter-Almo Heights District Board for each of the calendar years 2023 and 2024 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.), their term (beginning and ending), and current authorized annual compensation.

11. Provide documentation from the Fiscal Court that authorizes each Dexter-Almo Heights District Board member's appointment and compensation.

12. Provide training records for each Dexter-Almo Heights District Board member for 2023 and 2024.

13. Provide the following with respect to new tap installations.

- a. Number of installations during the test year.
- b. State whether labor costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.
- c. State whether material costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

14. Refer to Dexter-Almo Heights District's Tariff, PSC Ky. No. 1, Original Sheet No. 13, Billing, Meter Readings and Related Information, Frequency of meter reading.

a. Provide the date that Dexter-Almo Heights District's billing cycle begins (meter read date).

b. State whether the date that the billing cycle begins is the optimal effective date of any order the Commission issues for the purposes of implementation of amended rates in this case. If not, identify the optimal date.

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

a. Explain whether Dexter-Almo Heights District considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to Dexter-Almo Heights District's system would cause a new COSS to be prepared.

c. If there have been no material changes to Dexter-Almo Heights District's system, explain when Dexter-Almo Heights District anticipates completing a new COSS.

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

16. Refer to the Application, Current Billing Analysis 2023 Usage and Existing Rates as well as Proposed Billing Analysis 2023 Usage and Proposed Rates. Provide each billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible in the following format.

**CURRENT BILLING ANALYSIS WITH 2023 USAGE & EXISTING RATES**  
**Utility's Name**

**SUMMARY**

	No. of Bills	Gallons Sold	Revenue
All Meters	XXX	XXX	\$ XXX
			Less Net Billing Adjustments
			-
	Pro forma Sales Revenue		\$ XXX

**ALL METERS**

	USAGE	BILLS	GALLONS	FIRST 2,000	NEXT 3,000	NEXT 5,000	NEXT 10,000	ALL OVER 20,000
First	2,000	XXX	XXX	XXX				
Next	3,000	XXX	XXX	XXX	XXX			
Next	5,000	XXX	XXX	XXX	XXX	XXX		
Next	10,000	XXX	XXX	XXX	XXX	XXX	XXX	
All Over	20,000	XXX	XXX	XXX	XXX	XXX	XXX	XXX
		XXX	XXX	XXX	XXX	XXX	XXX	XXX

**REVENUE BY RATE INCREMENT**

	USAGE	BILLS	GALLONS	RATE	REVENUE
First	2,000	XXX	XXX	\$ XXX	XXX
Next	5,000		XXX	XXX	XXX
Next	10,000		XXX	XXX	XXX
All Over	20,000		XXX	XXX	XXX
		XXX	XXX		\$ XXX

17. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2023 and 2024.

18. Provide a schedule listing the number of occurrences for each nonrecurring charge that were 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.

19. Provide updated cost justification sheets to support each nonrecurring charge listed in Dexter-Almo Heights District's tariff.

20. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Dexter-Almo Heights District's tariff.

21. Provide a detailed Fixed Asset Listing.

22. Refer to the Application, Schedule of Adjusted Operations, Adjustment References. Explain why Dexter-Almo Heights District included an estimate for the last two months as part of Adjustment 1.

23. Refer to the Application, Schedule of Adjusted Operations, and refer to the Application, Current Billing Analysis. Reconcile and explain why the Pro Forma Total Sales of Water does not match the Total Annual Water Sales provided in the Current Billing Analysis.

\*Dexter-Almo Heights Water District  
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