

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MUHLENBERG )	CASE NO.
COUNTY WATER DISTRICT FOR A RATE )	2024-00404
ADJUSTMENT PURSUANT TO 807 KAR 5:076 )	

ORDER

On January 10, 2025,<sup>1</sup> Muhlenberg County Water District (Muhlenberg District) filed its application with the Commission requesting an adjustment to its water rates pursuant to 807 KAR 5:076. On January 22, 2025, the Commission issued an Order granting Muhlenberg District a deviation from the requirements of 807 KAR 5:076 Section 5(2)(b)(3) pursuant to 807 KAR 5:076 Section 17.

The Commission finds that a procedural schedule<sup>2</sup> should be established to ensure the orderly review of Muhlenberg District’s application. The procedural schedule is attached as Appendix A to this Order.

In addition, Muhlenberg 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

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<sup>1</sup> Muhlenberg District tendered its application on January 8, 2025. By letter dated January 9, 2025, the Commission rejected the application for filing deficiencies. The deficiencies were subsequently cured, and the application is deemed filed on January 10, 2025.

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

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, Muhlenberg District shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.

3. Muhlenberg 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 Muhlenberg 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 Muhlenberg District's financial condition supports a higher rate than Muhlenberg District proposes or the assessment of an additional rate or charge not proposed in Muhlenberg District's application, Muhlenberg 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 Muhlenberg District accounts for the depreciation of Muhlenberg District's assets, Muhlenberg District in its response to the Commission Staff's Report shall also state its position in writing on whether the Commission should require Muhlenberg 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.

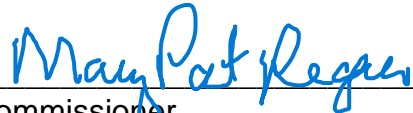
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<sup>3</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required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

PUBLIC SERVICE COMMISSION

  
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Chairman

  
\_\_\_\_\_  
Commissioner

  
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Commissioner

ATTEST:

   
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Executive Director

ENTERED  
JAN 31 2025 AH  
KENTUCKY PUBLIC  
SERVICE COMMISSION

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2024-00404 DATED JAN 31 2025

Requests for intervention shall be filed no later than ..... 2/20/2025

All requests for information to Muhlenberg District  
shall be filed no later than ..... 2/27/2025

Muhlenberg District shall file responses to requests  
for information no later than ..... 3/13/2025

All supplemental requests for information to  
Muhlenberg District shall be filed no later than ..... 3/27/2025

Muhlenberg District shall file responses to supplemental  
requests for information no later than ..... 4/10/2025

Commission Staff's Report shall be filed no later than..... 5/19/2025

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2024-00404 DATED JAN 31 2025

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

Muhlenberg County Water District (Muhlenberg 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 March 13, 2025. The Commission directs Muhlenberg 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.

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

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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).

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

For any request to which Muhlenberg District fails or refuses to furnish all or part of the requested information, Muhlenberg 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, Muhlenberg 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 fully accessible and unprotected. Employee names should be redacted from all documents.

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

- b. The trial balance in Excel spreadsheet format for each of the years ended December 31, 2023, and December 31, 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, Attachment 4, Schedule of Adjusted Operations, Adjustment References. Provide all workpapers used to generate the proposed adjustments in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

2. Refer to the Application, Attachment 7, Book Asset Detail. Provide a copy of the Book Asset Detail in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

3. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2023, 2024, and 2025.

4. Provide a description of all employee benefits 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.

5. Provide a copy of the most recent invoice for each employee benefit(s) described in the response to Item 4.

6. 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 year to date. Additionally, provide calculations, by employee, that support pro forma wages of \$918,437 (prior to tap

fee capitalization adjustment). Include the date each 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 hours worked, wages paid, and FICA for all employees. Employee names should be redacted from all documents.

7. Using the same table created in response to Item 6, list each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and an adjustment based on Bureau of Labor Statistics (BLS) contribution rates, if applicable. If medical 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.

8. Refer to the Application, Attachment 4, References, Adjustment I. Provide a copy of the invoice or quote for the billing software upgrades for both the installation, and the annual maintenance fees.

9. Refer to the Application, Attachment 4, References, Adjustment J. Also, refer to Table A, Depreciation Expense Adjustments.

a. Provide an explanation for the proposed 15-year service life for the meter change-outs. Include in this explanation, any engineering reports, testing reports, or technical specifications that support the proposed 15-year service life for each radio read meter, model and brand.

b. For each radio read meter in the asset detail report, provide a breakdown of the brand and model.

10. 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.

11. Provide minutes from Muhlenberg District's Board of Commissioners' (Board) meetings that authorize current salaries and wages for all current employees.

12. Provide minutes from Muhlenberg District's Board meetings for the calendar years 2023, 2024, and 2025 to date that authorize personnel actions, such as the hiring of replacement employees, creation of new employee positions, or any changes to employee benefits.

13. Provide the minutes from Muhlenberg District's Board meetings for the calendar years 2023, 2024, and 2025 to date. Consider this an continuing request through the date of issuance of Commission Staff's Report.

14. Provide a document listing the name of each member of the Board for each of the calendar years 2023, 2024, and 2025. 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. State whether commissioners are paid as contractors (Form 1099) or employees (Form W-2).

15. Provide documentation from the Muhlenberg County Fiscal Court that authorizes each commissioner's appointment and compensation. In this request, include the initial date of appointment for each current commissioner.

16. Provide all training records for each commissioner.

17. Refer to Application, Exhibit 4, Table A, Debt Service Schedule. For the outstanding debt issuance, provide the Commission case number in which Muhlenberg District was authorized to issue the debt.

18. 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.

19. Provide a monthly breakdown in both gallons and dollar amount, of water purchased during the 2023 test year by vendor, identifying all vendors from whom Muhlenberg District purchased water.

20. Provide the current rate charged by each vendor from whom Muhlenberg District purchases water.

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

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

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

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

22. Refer to the Application, Schedule of Adjusted Operations. Provide an itemization of the Miscellaneous Service Revenues, stated as \$76,838.

23. Refer to the Application, Current Billing Analysis 2023 Usage and Existing Rates and Proposed Billing Analysis 2023 Usage and Proposed Rates. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

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

25. 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.

26. Provide updated cost justification sheets to support each nonrecurring charge listed in Muhlenberg District's tariff, even if there were no occurrences during the test year.

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

28. Refer to Muhlenberg District's Tariff, PSC Ky. No. 2, Original Sheet, Billing, Related Information, Frequency of meter reading.

a. Provide the date that Muhlenberg District's 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.

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