

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF HARDIN COUNTY)
WATER DISTRICT NO. 1 TO ADJUST ITS)
RATES FOR SEWER SERVICE) CASE NO. 2013-00050

COMMISSION STAFF'S FOURTH REQUEST FOR
INFORMATION TO HARDIN COUNTY WATER DISTRICT NO. 1

Hardin County Water District No. 1 ("Hardin District") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and eight copies of the following information, with a copy to all parties of record, no later than November 20, 2013. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response 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 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.

Hardin District shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Hardin District fails or refuses to furnish all or part of the requested information, Hardin

District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure its legibility. 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 utility operations and jurisdictional operations.

1. Refer to Hardin District’s Responses to the Commission Staff’s First Request For Information (“Commission’s First Request”), Item 8(a)(2), and to the Commission Staff’s Third Request For Information (“Commission’s Third Request”), Item 4(b), Exhibit 3, Revised Schedule 16.c.

a. Provide a copy of the comparison chart referenced in the October 16, 2012 Board of Commissioners’ regular meeting minutes.

b. The Board of Commissioners authorized a 3 percent total wage increase that was to become effective on February 1, 2013, with 1.3 percent being added to all pay grades and 1.7 percent available for performance-based raises. For each employee included in Exhibit 3, Revised Schedule 16.c., pages 7-13, provide the information requested in Table 1.

Table 1				
Employee Position	1.3% Fixed Wage Increase	Performance Based Increase	Total 2013 Hourly Wage Rate	2013 Hourly Rates Exhibit 3; Revised Schedule 16.c.
Administration				
Customer Service				
Collection System				

c. Included in the Revised Schedule 16.c. is an allowance for the workers' compensation premium calculated by employee. For each employee listed on the schedules, explain in detail how Hardin District arrived at the allocated workers' compensation premium.

d. Provide vendor invoices to support Hardin District's workers' compensation premiums for calendar year 2012 and 2013.

2. Refer to Hardin District's Responses to the Commission's First Request, Item 22, and to the Commission's Third Request, Item 4(b), Exhibit 3, Revised Schedule 16.c.

a. In Item 22, Hardin District states that two members of its Board of Commissioners and a Distribution Operator I or II were replaced in 2013. Provide a schedule similar to Exhibit 3, Revised Schedule 16.c. showing how Hardin District calculated the terminated employee cost of \$65,934 and the new employee cost of \$62,030.

b. Has Hardin District included the employee cost differential resulting from the replacement of its three employees in 2013 in Exhibit 3, Revised Schedule 16.c. that was provided in its response to Item 4(b)?

3. Refer to Hardin District's Responses to the Commission's First Request, Item 21(a). According to the employee schedule, the General Manager's hourly wage rate increased from \$49.69 in 2012 to \$60.09 in 2013, an increase of approximately 20.93 percent. The October 16, 2012 Board of Commissioners regular minutes, provided in Hardin District's Response to Item 8(b)(2) of the Commission's First Request, does not reference a 20.92 percent increase in the General Manager's wages.

a. Provide the minutes of the Hardin District's Board of Commissioners meeting authorizing the General Manager's wage increase in 2013.

b. Explain in detail why the General Manager was granted a wage increase of this magnitude.

4. In responding to Item 5.a. of the Commission's Third Request, Hardin District states that "no costs were included for three part-time administrative personnel positions (F&A Admin Intern, Auto Cad Drafter, and GIS Intern) in the test year 2012. However, these positions were included in the 2013 Radcliff Utility Budget and now identified as an adjustment to the test year."

a. Has Hardin District filled the three part-time positions identified in its response?

b. If the response to Item 4.a. is yes, provide the date each position was filled.

c. If the response to Item 4.a. is no, state Hardin District's efforts to fill the position and the anticipated hire date.

d. Does Hardin District anticipate a need for these part-time positions in calendar years 2014 through 2016?

5. In an Excel spreadsheet, provide a billing analysis showing actual customer usage for the 2012 test year.

6. Refer to Hardin District's response to the Commission's Third Request, Item 1, Exhibit 1.

a. Why is it appropriate to make an adjustment aligning customer accounts more closely with actual revenue?

b. Why are customer accounts out of alignment, requiring an adjustment to reflect actual revenues?

c. Does Hardin District have the information to determine revenues without having to adjust customer accounts to reflect the actual revenues?

d. Why were accounts adjusted from 2011 to align more closely with actual revenues when the test year should be 2012?

7. Provide a copy of the current contract and all amendments between Jim Bruce and Hardin District.

8. Provide the most recent vendor invoice for employee vision coverage. If the invoice does not list employees individually by name and state the type of coverage, or if it identifies employees by a code number or other identifier, provide the name of each employee and the type of coverage provided to him or her.

9. In Case No. 2003-00224,¹ the Commission found that a District Commissioner position is part-time employment because District Commissioners generally meet only once a month and do not work a 40-hour week. Distinctions between board officials and other part-time employees are contrary to law and, therefore, employee benefits provided to the District Commissioners were disallowed. Explain why this Commission finding is not true for Hardin District.

¹ Case No. 2003-00224, *Application of Northern Kentucky Water District for (A) An Adjustment of Rates; (B) A Certificate of Public Convenience and Necessity for Improvements to Water Facilities if Necessary; and (C) Issuance of Bonds* (Ky. PSC June 14, 2004) at 11-12.

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DATED NOV 01 2013

cc: Parties of Record

Case No. 2013-00050

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