

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED REVISIONS TO JESSAMINE-)	
SOUTH ELKHORN WATER DISTRICT'S)	CASE NO. 2013-00470
RULES REGARDING THE PROVISION OF)	
SEWER SERVICE)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO JESSAMINE-SOUTH ELKHORN WATER DISTRICT

Pursuant to 807 KAR 5:001, Jessamine-South Elkhorn Water District ("Jessamine District") is to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 15 days from the date of this Request. 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.

Jessamine 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 Jessamine District fails or refuses to furnish all or part of the requested information, Jessamine 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 company operations and jurisdictional operations.

1. Provide the minutes of each meeting of Jessamine District's Board of Commissioners in which the proposed rate revision was discussed.

2. Provide the resolution of Jessamine District's Board of Commissioners in which the proposed rate revision was approved or, if no resolution was separately prepared, the minutes of the meeting of Jessamine District's Board of Commissioners in which the proposed rates were approved.

3. Refer to the NonRecurring Charge Cost Justification for returned check service charge. In its calculation of labor expense, Jessamine District assumes an hourly wage of \$22.61.

a. Explain how the hourly rate was determined.

b. State the hourly wage of each current Jessamine District employee whose duties include processing returned checks.

c. State whether the hourly wages provided in response to Item 3(b) include any of the following: employer Social Security tax, employer Medicare tax,

employer retirement plan contribution, workers' compensation insurance, sick-leave pay, annual-leave pay, or employer health-insurance contribution.

d. Describe in detail the procedures performed by Jessamine District upon receipt of a returned check.

4. Refer to the NonRecurring Charge Cost Justification for service line inspection charge.

a. In its calculation of labor expense, Jessamine District assumes an hourly wage of \$31.09 for both the field expense, and clerical and office expense. Explain how the hourly rate was determined.

b. State the hourly wage of each current Jessamine District employee whose duties include service line inspections.

c. State the hourly wage of each current Jessamine District employee whose duties include the clerical processing of service line inspection charges.

d. State whether the hourly wages provided in response to Item 4(b) and (c) include any of the following: employer Social Security tax, employer Medicare tax, employer retirement plan contribution, workers' compensation insurance, sick-leave pay, annual-leave pay, or employer health-insurance contribution.

e. Describe how Jessamine District determined the number of hours of labor required for a service line inspection.

f. Explain how Jessamine District determined the truck and fuel expense of \$30.05.

g. Describe in detail the procedures performed by Jessamine District employees during a service line inspection. Provide diagrams showing the procedures.

5. Refer to the NonRecurring Charge Cost Justification for service termination charge.

a. Explain the \$25 charge for the City of Nicholasville.

b. In its calculation of clerical and office labor expense, Jessamine District assumes an hourly wage of \$37.48. Explain how the hourly rate was determined.

c. State the hourly wage of each current Jessamine District employee whose duties include service terminations.

d. State whether the hourly wages provided in response to Item 5(c) include any of the following: employer Social Security tax, employer Medicare tax, employer retirement plan contribution, workers' compensation insurance, sick-leave pay, annual-leave pay, or employer health-insurance contribution.

e. Describe in detail the procedures performed by Jessamine District employees during a service termination.

6. Jessamine District's proposed tariff states the service-termination charge will be levied "due to termination of service for any reason."

a. Will a Jessamine District customer who is current on all payments and moves to a location serviced by another sewer utility owe a service-termination charge to Jessamine District?

b. Identify each type of termination of service for which a customer will owe a service-termination charge.

7. Refer to the NonRecurring Charge Cost Justification for grease trap inspection charge.

a. In its calculation of labor expense, Jessamine District assumes an hourly wage of \$31.09 for both the field expense, and clerical and office expense. Explain how the hourly rate was determined.

b. State the hourly wage of each current Jessamine District employee whose duties include grease trap inspections.

c. State the hourly wage of each current Jessamine District employee whose duties include the clerical processing of grease trap inspection charges.

d. State whether the hourly wages provided in response to Item 7(b) and (c) include any of the following: employer Social Security tax, employer Medicare tax, employer retirement plan contribution, workers' compensation insurance, sick-leave pay, annual-leave pay, or employer health-insurance contribution.

e. Describe how Jessamine District determined the number of hours of labor required for a grease trap inspection.

f. Explain how Jessamine District determined the truck and fuel expense of \$7.46.

g. Identify the supplies included in the \$1.09 charge.

h. Describe in detail the procedures performed by Jessamine District employees during a grease trap inspection. Provide diagrams showing the procedures.

i. How is a grease trap inspection charge incurred?

8. Refer to the NonRecurring Charge Cost Justification for unauthorized-use investigation charges.

a. In its calculation of labor expense, Jessamine District assumes an hourly wage of \$31.09 for both the field expense, and clerical and office expense. Explain how the hourly rate was determined.

b. State the hourly wage of each current Jessamine District employee whose duties include unauthorized-use investigations.

c. State the hourly wage of each current Jessamine District employee whose duties include the clerical processing of unauthorized-use investigation charges.

d. State whether the hourly wages provided in response to Item 8(b) and (c) include any of the following: employer Social Security tax, employer Medicare tax, employer retirement plan contribution, workers' compensation insurance, sick-leave pay, annual-leave pay, or employer health-insurance contribution.

e. Describe how Jessamine District determined the number of hours of labor required for an unauthorized-use inspection.

f. Explain how Jessamine District determined the truck and fuel expense of \$30.05.

g. Explain how the statement "or actual cost whichever is greater" complies with 807 KAR 5:006, Section 9(2).

h. Would Jessamine District consider making the unauthorized-use investigation charge based on the actual cost only?

i. Describe in detail the procedures performed by Jessamine District employees during an unauthorized-use investigation. Provide diagrams showing the procedures.

9. Refer to the NonRecurring Charge Cost Justification for tap-on fees.

a. In its calculation of field labor expense, Jessamine District assumes an hourly wage of \$56.00. Explain how the hourly rate was determined.

b. State the hourly wage of each current Jessamine District employee whose duties include physically connecting the sewer to a building.

c. In its calculation of clerical and office labor expense, Jessamine District assumes an hourly wage of \$37.48. Explain how the hourly rate was determined.

d. State the hourly wage of each current Jessamine District employee whose duties include the clerical processing of tap-on fees.

e. State whether the hourly wages provided in response to Item 9(b) and (d) include any of the following: employer Social Security tax, employer Medicare tax, employer retirement plan contribution, workers' compensation insurance, sick-leave pay, annual-leave pay, or employer health-insurance contribution.

f. Describe how Jessamine District determined the number of hours of labor required to physically connect a sewer to a building.

g. Describe how Jessamine District determined that three men were necessary to connect a sewer to a building.

h. Explain how Jessamine District determined the truck and fuel expense of \$46.23.

i. Identify by name and address each vendor from whom Jessamine District solicited a bid or estimate regarding materials and rental of equipment in the course of preparing its proposed rate revision. Provide a copy of any supporting documentation.

j. Does Jessamine District own the excavator?

(1) If Jessamine District owns the excavator, identify the year of acquisition and the acquisition cost.

(2) If Jessamine District does not own the excavator, identify all suppliers from whom Jessamine District has rented an excavator for sewer connections during the period January 1, 2011, through December 31, 2013, and provide a copy of the rental agreements.

k. Does Jessamine District own the skid-steer?

(1) If Jessamine District owns the skid-steer, identify the year of acquisition and the acquisition cost.

(2) If Jessamine District does not own the skid-steer, identify all suppliers from whom Jessamine District has rented a skid-steer for sewer connections during the period January 1, 2011, through December 31, 2013, and provide a copy of the rental agreements.

l. Explain how Jessamine District determined the amount of time necessary for the excavator and skid-steer. Provide all records and show all calculations that Jessamine District used to make its determination.

m. Explain how Jessamine District determined the cost for the equipment component. Provide all records and show all calculations that Jessamine District used to make its determination.

n. Explain how Jessamine District determined the quantity of materials listed in Section 1(A). Provide a diagram demonstrating the use of the materials.

o. Provide all work papers, calculations, and assumptions used to determine the expenses identified in the NonRecurring Charge Cost Justification for tap-on fees.

10. Explain the different hourly rates for the clerical and office labor expense, for the returned check service charge (the hourly rate is \$22.61), for the service line inspection charge, grease trap inspection charge, unauthorized-use investigation charge (the hourly rate is \$31.09), and for the service-termination charge and tap-on fee (the hourly rate is \$37.48).

11. Explain the different truck and fuel expenses for service line inspections and unauthorized use investigations (the truck and fuel expense is \$30.05), for the grease trap inspections (the truck and fuel expense is \$7.46), and for the tap-on fees (the transportation expense is \$46.23).

12. List separately for each calendar year from January 1, 2011, through December 31, 2013, the total number of Jessamine District's new sewer connections.

13. For each sewer connection performed from January 1, 2011, through December 31, 2013, identify the type of building and the amount from the table that would have been charged based on the proposed rates.

14. Refer to the proposed tariff "Tap-on Fees." Explain how and why the size of the lot, not the size of the residence, determines the amount from the table for single-family residences.

15. Explain why the non-recurring charges were not included in the last general rate case. (See 807 KAR 5:011, Section 10(1)(c)).

16. Explain why the notice failed to comply with 807 KAR 5:011, Section 8(4)(a) (date proposed rates are expected to be filed with the Commission); (g) (that the filing can be viewed at the Commission's address or website); and both (i) and (j) (timeliness of intervention).

17. Explain the note stating, "Lexington Fayette County Government Charges payable to LFUCG-See next two pages," found at the bottom of the first page of the NonRecurring Charge Cost Justification for tap-on fees.

18. Refer to the charges in the tables included in the NonRecurring Charge Cost Justification for tap-on fees.

a. Explain in detail the origin of the tables and how the individual charges were derived.

b. Explain in detail how these charges are processed.

c. Are the charges paid by Jessamine District to Lexington Fayette Urban County Government?

d. If the answer to Item 18(c) is yes:

(1) State the date Jessamine District started paying these charges to Lexington Fayette Urban County Government.

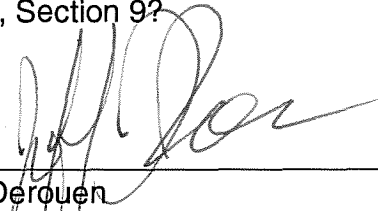
(2) Provide the table of fees for each year from January 1, 2011, through December 31, 2013.

e. Are the charges paid by customers of Jessamine District? If the answer is yes:

(1) Who receives the payment from the Jessamine District customer?

(2) When did Jessamine District's customers start paying the charges?

(3) Why are these charges not stated in Jessamine District's current tariff schedule as required by 807 KAR 5:006, Section 9?



Jeff Derouen
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Public Service Commission
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DATED FEB 18 2014

cc: Parties of Record

Case No. 2013-00470

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