

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WEST)
CARROLL WATER DISTRICT FOR RATE) CASE NO.
ADJUSTMENT) 2017-00244

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
WEST CARROLL WATER DISTRICT

West Carroll County Water District ("West Carroll"), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version and one copy in paper medium of the following information, with a copy to all parties of record. The information requested herein is due within ten days 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.

West Carroll 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 West Carroll fails or refuses to furnish all or part of the requested information, West Carroll 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 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, Western Carroll shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. In response to the Attorney General's Initial Data Request ("AG's First Request"), Item 4.c., West Carroll provided a breakdown of the cost categories included in the \$248,178.45 annual compensation that corresponds to its 2017 Operational Agreement with Carrollton Utilities ("CU"). Provide the following:

a. A detailed list of the components of the category labeled "Payroll, etc." This should include any amounts that are attributable to salary and benefits. Responses should be separated by employee title and type of expense.

i. By employee title, provide the percentage of salary that West Carroll pays versus the total salary that is paid to each employee by CU.

b. By employee title, provide a list of the expenses included in the \$39,752.99 "Insurance (Employee Health) expense," for each employee. For each employee, state whether the policy is for single coverage, family coverage, or dependent coverage. If multiple types of policies exist (i.e. Dental, Health, Vision), separately state each expense by coverage type.

i. By employee title, provide the amount of each policy premium that is paid for by the employee and the amount paid by West Carroll on behalf of the employee.

ii. By employee title, provide the percentage of each policy premium that is being paid by West Carroll versus the total amount being paid by CU for its employees.

c. By employee title, provide a detailed list of the expenses that comprise the \$20,049.07 "Retirement" expense that is paid by West Carroll. By employee title, separately state the percentage of retirement that is paid by West Carroll and the total retirement expense paid for each employee by CU.

d. Provide an itemized list that supports the "Training" Expense.

e. Provide any calculations or assumptions used to support the "Vehicle(s)" Expense.

f. Provide any calculations or assumptions used to support the "Equipment" Expense.

g. Provide any calculations or assumptions used to support the "Supplies" Expense.

2. In its response to the AG's First Request, Item 7.c., West Carroll confirmed that the April 18, 2013 Supplemental Agreement contained provisions to terminate its agreement with CU if a target water loss of 15 percent was not achieved. On page 10 of Exhibit B of the same response, West Carroll provided the Supplemental Agreement that shows water loss targets that are to be achieved, including a water loss target of 15 percent to be achieved by July 1, 2014. The Agreement also states that West Carroll has the option to terminate the agreement early if these targets are not achieved.

a. According to page 61 of West Carroll's 2014 Annual Report filed with the Commission, West Carroll reported water loss of approximately 30.1 percent. Explain why West Carroll did not terminate the agreement with CU at that time.

b. According to page 61 of West Carroll's 2015 Annual Report filed with the Commission, West Carroll reported water loss of approximately 37.2 percent, and at page 56 of West Carroll's 2016 Annual Report filed with the Commission, West Carroll reported water loss of approximately 32.3 percent. Under the terms and conditions of the July 1, 2002 Operational Agreement, which appears on page 1 of Exhibit B of the response to the AG's First Request, the Agreement states that "[e]ither party upon sixty (60) days' notice may terminate this Agreement." Explain why West Carroll has made no official efforts to amend the Operational Agreement with a termination provision with regard to water loss targets.



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DATED MAR 07 2018

cc: Parties of Record

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