

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GARRISON-QUINCY-KY-O-HEIGHTS WATER DISTRICT FOR A RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076)	CASE NO.
)	2021-00094
)	
)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO GARRISON-QUINCY-KY-O-HEIGHTS WATER DISTRICT

Garrison-Quincy-Ky-O-Heights Water District (Garrison District), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on May 25, 2021. Pursuant to the Commission's Orders in Case No. 2020-00085,¹ issued March 16, 2020, and March 24, 2020, Garrison District SHALL NOT FILE the original paper copy of all requested information at this time, but rather shall file original paper copies within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

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.

Garrison District shall make timely amendment to any prior response if Garrison District obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Garrison District fails or refuses to furnish all or part of the requested information, Garrison 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 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, Garrison 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. Refer to Commission Staff's First Request for Information (Staff's First Request), Item 23. Provide for Garrison District's water division a schedule listing the number of occurrences of the Connection/Turn-on charges, Connection/Turn-on charges (After Hours), Field Collection charges, Late Payment Penalty, Meter Relocation charges, Meter Re-read charges, Meter Test charges, Reconnection charge, Reconnection charge

(After Hours), Returned Check charges, Service Call charges, and Service Call (After Hours) charges billed and the total dollar amount collected during the test year.

2. Refer to Staff's First Request, Item 26. Provide for Garrison District's sewer division a schedule listing the number of occurrences of the Connection/Turn-on charges, Connection/Turn-on charges (After Hours), Field Collection charges, Late Payment Penalty, Relocation charges, Reconnection charges, Reconnection charges (After Hours), Returned Check charges, Service Call charges, and Service Call (After Hours) charges billed and the total dollar amount collected during the test year.

3. Refer to Garrison District's 2019 Annual Report,² page 57 of 67, line 10, and the Application, Attachment 5.

a. Explain the method by which the Bulk Sales revenues of \$2,999 from the billing analysis and the 2019 Annual Report were calculated.

b. Based upon the 327,170 gallons reported on Line 10 of the 2019 Annual Report and the rate stated in the current Tariff of \$8.68 per 1,000 gallons, Commission Staff (Staff) has calculated the revenues from Bulk Sales as \$2,840. Explain the difference between the revenue of \$2,999 in the Application, the 2019 Annual Report, and the Staff calculated revenues.

4. Refer to Garrison District's responses to Staff's First Request, Item 3, 2019 Trial Balance and to the Application, Attachment No. 4, Schedule of Operations Water Division.

a. Provide a schedule in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible that lists each expense account from

² *Annual Report of Garrison-Quincy-Ky-O-Heights Water District to the Kentucky Public Service Commission for the Year Ending December 31, 2019 (2019 Annual Report).*

the 2019 Trial Balance that is included in the water division’s reported Miscellaneous expense account of \$129,858.

b. Provide a detailed explanation of the revenue account IRS Tax on Bond Refund of \$5,094.

5. Explain whether Garrison District uses direct time reporting for its outside field employees.

6. In Case No. 2013-00350,³ Garrison District estimated that two of its field employees split their time equally between the divisions while the third employee’s time was split 75 percent to the water division and 25 percent to the sewer division. Provide the estimated percentage of time each outside employee listed in the table below spends with each division. Include documentation (i.e., time analysis or employee time records) to support Garrison District’s estimates.

	Employee	Estimated % of Time Spent at Each Division	
		Water	Sewer
a.	Employee No. 7 Foreman/Manager	0.00%	0.00%
b.	Employee No. 2 Operator	0.00%	0.00%
c.	Employee No. 6 Operator	0.00%	0.00%
d.	Employee No. 10 Operator	0.00%	0.00%

7. In Case No. 2013-00350, Garrison District estimated that each of its outside field employee spent approximately 10 percent of their time reading customer meters.

a. Confirm that the 10 percent meter reading estimate is true for Garrison District’s current field employees.

³ Case No. 2013-00350, *Alternative Rate Adjustment Filing Garrison-Quincy -KY-O-Heights Water District* (Ky. PSC Feb. 19, 2014).

b. If the response to Item 7a is no, provide an estimate of the percentage of time each employee listed in the table below spends reading the customer meters. Include documentation (i.e., time analysis or employee time records) to support Garrison District's estimates.

	Employee	Meter Reading
a.	Employee No. 2 Operator	0.00%
b.	Employee No. 6 Operator	0.00%
c.	Employee No. 10 Operator	0.00%

8. Refer to Garrison District's responses to Staff's First Request, Item 9, Excel spreadsheet: Item_9-Pro_forma_Adjmts and Item 12, Excel spreadsheet: Item_12-Reg_and_OT_Hrs. The Excel spreadsheet provided in the response to Item 12 indicates that there was only five overtime hours worked by one employee in calendar year 2019. However, Garrison District's workpapers calculates pro forma Employee Salaries and Wages expense using overtime hours of 1,554 as shown in the table below. Provide a schedule in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible that lists the correct overtime hours each employee earned in 2019. Include a detailed explanation for the noted discrepancies.

Employee No.	2019 Overtime Hours
1	-
2	377
3	65
4	430
5	313
6	369
Total	<u>1,554</u>

9. Refer to Garrison District's responses to Staff's First Request, Item 12, Excel spreadsheet: Item_12-Reg_and_OT_Hrs and Item 10, Excel spreadsheet: Item_10-Employee_ID_and_Info. Provide a revised Item_12-Reg_and_OT_Hrs Excel spreadsheet identifying each employee by the Employee No. and Title used in the Excel spreadsheet that Garrison District provided in its response to Item 10.

10. Refer to Garrison District's responses to Staff's First Request Item 12, Excel spreadsheet: Item_12-Reg_and_OT_Hrs. Garrison District's response indicates that it allows its employees to earn compensatory time. Provide Garrison District's written policy regarding the accrual and use of compensatory time.

11. Refer to Garrison District's responses to Staff's First Request, Item 15. Garrison District explains that the only salaries being allocated are those being paid to its system operators. The salary allocation for these employees is 80 percent to the water system and 20 percent to the sewer system.

a. Provide documentation (i.e., a salary study or analysis) to support Garrison District's allocation factors.

b. Provide a detailed explanation as to why Garrison District is only allocating the salaries of its outside field employees to the sewer division.

12. Refer to Garrison District's responses to Staff's First Request, Item 31.

a. Provide a copy of Garrison District's calendar year 2019 Depreciation Schedule for its water division in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

b. Provide a copy of Garrison District's calendar year 2019 Depreciation Schedule for its sewer division in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

c. Provide copies of Garrison District's calendar year 2020 Depreciation Schedule for both divisions in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

13. Refer to Garrison District's responses to Staff's First Request, Item 9, Excel spreadsheet: Item_9-Pro_forma_Adjmts.

a. Confirm that Garrison District currently provides water service to 1,067 customers and sewer service to 304 customers.

b. If Garrison District's response to Item 13a, is no, provide current number of customers being served by Garrison District for both divisions.

c. Provide the current number of current customers that receive both water and sewer service.

14. Refer to Garrison District's responses to Staff's First Request, Item 1, 2019 General Ledger. For each expenditure listed in the Appendix attached to this request, provide a detailed description of the expenditure, identify whether Garrison District has capitalized the expenditure, and provide copies of all invoices related to that expenditure.

15. Refer to the Application, Attachment No. 2, Reasons for the Application. Garrison District is requesting the Commission authorize a monthly Water Loss Reduction Surcharge of \$1.73 per customer to fund projects to assist Garrison District to reduce its water loss to a more acceptable level.

- a. Provide copies of the workpapers, calculations, and assumptions used by Garrison District to calculate its requested water loss surcharge.
 - b. Identify the number of years Garrison District is proposing to charge its surcharge.
16. Refer to the Application, Attachment No. 4, Revenue Requirements.
- a. Provide a detailed calculation to support the Phase II and Phase III Surcharge revenues of \$22,944.
 - b. For each surcharge, identify the outstanding debt issuance each is funding, the current outstanding debt balance, and the remaining life of each surcharge.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAY 11 2021

cc: Parties of Record

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00094 DATED MAY 11 2021

List of Test-Year Expenditures

	Account No.	Account Title	Transaction Date	Vendor	Amount
a.	04017-0000	Materials and Supplies Expense	01/09/19	Core & Main	\$ 1,414
b.	04017-0000	Materials and Supplies Expense	01/23/19	Nelson Brothers, LLCCK	\$ 1,000
c.	04017-0000	Materials and Supplies Expense	01/23/19	C.I. Thornburg	\$ 1,113
d.	04017-0000	Materials and Supplies Expense	02/12/19	Nelson Brothers, LLCCK	\$ 1,000
e.	04017-0000	Materials and Supplies Expense	03/07/19	C.I. Thornburg	\$ 1,364
f.	04017-0000	Materials and Supplies Expense	03/13/19	Nelson Brothers, LLCCK	\$ 1,000
g.	04017-0000	Materials and Supplies Expense	04/03/19	Core & Main	\$ 1,103
h.	04017-0000	Materials and Supplies Expense	04/22/19	Nelson Brothers, LLCCK	\$ 1,000
i.	04017-0000	Materials and Supplies Expense	05/09/19	John Bentley Lumber	\$ 1,175
j.	04017-0000	Materials and Supplies Expense	05/14/19	Nelson Brothers, LLCCK	\$ 1,000
k.	04017-0000	Materials and Supplies Expense	06/19/19	Nelson Brothers, LLCCK	\$ 1,056
l.	04017-0000	Materials and Supplies Expense	08/20/19	Core & Main	\$ 2,893
m.	04017-0000	Materials and Supplies Expense	10/15/19	Core & Main	\$ 1,114
n.	04017-0000	Materials and Supplies Expense	11/20/19	C.I. Thornburg	\$ 1,610
o.	04017-0001	Professional Fees	01/04/19	Peercy and GrayPSC	\$ 2,750
p.	04017-0001	Professional Fees	02/27/19	Keith Lewis	\$ 1,250
q.	05016-0000	Sewer Materials and Supplies	01/23/19	Wascon, Inc	\$ 2,255
r.	05016-0000	Sewer Materials and Supplies	02/07/19	Wascon, Inc	\$ 2,255
s.	05016-0000	Sewer Materials and Supplies	02/12/19	Wascon, Inc	\$ 2,636
t.	05016-0000	Sewer Materials and Supplies	06/19/19	Wascon, Inc	\$ 3,002
u.	05016-0000	Sewer Materials and Supplies	09/18/19	Wascon, Inc	\$ 1,152
v.	05016-0000	Sewer Materials and Supplies	10/15/19	Wascon, Inc	\$ 1,525
w.	05016-0000	Sewer Materials and Supplies	12/12/19	Wascon, Inc	\$ 4,582

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