

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF CUMBERLAND )	CASE NO.
COUNTY WATER DISTRICT FOR A RATE )	2022-00291
ADJUSTMENT PURSUANT TO 807 KAR 5:076 )	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO CUMBERLAND COUNTY WATER DISTRICT

Cumberland County Water District (Cumberland District), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on December 8, 2022. The Commission directs Cumberland 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

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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).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Cumberland District shall make timely amendment to any prior response if Cumberland 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 Cumberland District fails or refuses to furnish all or part of the requested information, Cumberland 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, Cumberland 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 Cumberland District's response to Commission Staff's First Request for Information (Staff's First Request), Item 5. Clarify whether the salaries provided in Exhibit A.5.a include the \$75 per meeting or \$25 per appearance payments. If not, please provide the per meeting or per appearance payments, by date and amount, for each commissioner, by name, for the years 2017, 2018, 2019, 2020, and 2021.

2. Refer to the Application, Exhibit K. Provide proof of publication with an affidavit from a newspaper employee and a copy of the notice as published.

3. Refer to Cumberland District’s response to Staff’s First Request, Exhibit A.1.a, 2021 General Ledger and Exhibit A.1.b, 2021 Trial Balance. Also, refer to the Application.

a. Provide a reconciliation of revenue amounts reported in the trial balance to test year operating and non-operating revenues reported in the Application, Exhibit C, Schedule of Adjusted Operations (SAO). Additionally, state whether the application revenue amounts require adjustment as a result of the reconciliation. A comparison of the trial balance and SAO amounts is below.

Trial Balance		Schedule of Adjusted Operations	
Description	Amount	Description	Amount
UMS receipts:4000-00 · Metered Water Sales	1,395,271.13	Metered Sales (SAO)	1,467,059.00
UMS receipts:4010-00 · Late charge	16,037.89	Interest (Rev Req)	1,386.00
UMS receipts:4040-00 · Miscellaneous Service Fees	24,952.54	Other Revenue	73,894.00
UMS receipts:4060-00 · Construction Aid Fees	24,239.59		
7000-00 · Miscellaneous	65,870.62		
Revenues	<u>1,526,371.77</u>		
4020-00 · Grants	28,971.00		
7020-00 · Interest Income	1,385.87		
	<u><u>1,556,728.64</u></u>		<u><u>1,542,339.00</u></u>
Difference			<u>(14,389.64)</u>

b. An expense item designated as “6020-00 Transportation Expense:8 mobile eight” for \$56,999 reported in the trial balance appears to be excluded from the expenses reported in the SAO. Confirm that the item is excluded and describe the nature of the expense and justification for its exclusion.

c. State the number of new taps that were installed during the year, the total costs that were capitalized, and designate the capitalized amounts in Exhibit F, Depreciation Schedule of the Application.

4. Refer to Cumberland District’s response to Staff’s First Request, Exhibit A.1.a, 2021 General Ledger, Item 1.d., Description of Employee Benefits, Exhibit A.3

Employee Benefit Information, and Exhibit A.1.e. Provide a copy of Most Recent Invoice for 2022 for Each Employee Benefit.

a. Describe the product or service that is represented by payments to Anthem Blue Cross Blue Shield and AFLAC that are charged each month to account 6230, Insurance Employee Group.

b. Provide copy of most recent invoice for Anthem Blue Cross Blue Shield and AFLAC.

c. State whether the amounts paid to Anthem Blue Cross Blue Shield and AFLAC are reported on Exhibit A.3 Employee Benefit Information. If the items are not included, explain the justification for their exclusion and state whether the schedule of benefits should be amended and resubmitted.

d. The response to Item 1.e. includes the statement “cost of board member coverage is paid by CCWD, but then reimbursed to CCWD by board member.” List the names of Cumberland District commissioners that have received insurance coverage, number of expense occurrences, and the general ledger accounts and dates of the commissioner reimbursement postings by month for 2020 through year-to-date 2022.

e. Provide a copy of the commissioner meeting minutes authorizing the 2022 incentive bonus payments to employees.

f. State the payment date of the 2022 incentive bonus payments to employees (Note: Exhibit A.3 does not reflect this item for 2022).

5. Refer to Cumberland District’s response to Staff’s First Request, Exhibit A.7. The request stated “Provide the workpapers that support each pro forma adjustment

described in the References in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.” Exhibit A.7 only provided calculations for wages and benefits. Provide support for each item in the References. These are designated on Application, page 15, References as “A” through “G”.

6. Refer to Cumberland District’s response to Staff’s First Request, Item 8.a. and Item 8.b. Also, refer to Cumberland District’s 2021 Annual Report and to the Application, generally.

a. Cumberland District’s response stated that there are 2,739 radio read meters and one manual read meter. The 2021 Annual Report states on page 49, Water Operating Revenue, that the Cumberland District has 2,910 customers. Explain the difference in the total customer and meter counts.

b. Cumberland District stated that the age range of the meters is 0 to 12 years. Confirm that all of Cumberland District’s meters are 12 years old or less.

c. State the number of meters that are more than ten years old and confirm that they have been tested in accordance with 807 KAR 5:066 Section 16(1).

d. Designate the line items and number of meters in each that represent the 2,739 radio read meters in the Application, Exhibit F, Depreciation Schedule.

e. State when Cumberland District expects to apply for a Certificate of Public Convenience and Necessity and financing approval for the USDA Rural Development loan for the Marrowbone line replacement project that is referenced in response to Staff’s First Request, Item 8.a.

7. Refer to Cumberland District’s response to Staff’s First Request, Item 14, Cost Justification Sheets.

a. For any Field Expense, Labor of \$18.28, explain how this amount was determined to be appropriate. Provide all calculations and assumptions used to determine the amount of the expense.

b. For Field Expense, Labor on the New Service Cost Justification Sheet, one hour of field labor expense is estimated to be \$18.28, the Total Field Labor Expense is estimated to be \$35.84. Explain why there are two amounts stated and reconcile these amounts. Provide all calculations and assumptions used to determine the amount of the expense.

c. For Field Expense, Labor on the After Hours Charge Cost Justification Sheet of two hours Overtime at \$27.72, explain how this amount was determined to be appropriate.

(1) Explain how the Total Expense of \$54.84 was calculated.

(2) Provide all calculations and assumptions used to determine the amount of the expense.

d. For any Clerical and Office Expense, Supplies of \$1, explain what supplies are used that equate to a \$1 expense.

(1) Explain how this amount of \$1 was determined to be appropriate.

(2) Provide all calculations and assumptions used to determine the amount of the expense.

e. For Clerical and Office Expense, Labor of \$16.75 at 0.25 hours equates to \$4.19, explain how this amount was determined to be appropriate. Provide all calculations and assumptions used to determine the amount of the expense.

f. For Clerical and Office Expense, Supplies on the Re-Connection Charge Cost Justification Sheet as \$2, explain how this amount was determined to be appropriate.

(1) Explain what is included in this amount.

(2) Provide all calculations and assumptions used to determine the amount of the expense.

g. For Clerical and Office Expense, Labor on the Re-Connection Charge Cost Justification Sheet as \$16.75 at 0.5 hours totaling \$8.38, explain how this amount was determined to be appropriate. Provide all calculations and assumptions used to determine the amount of the expense.

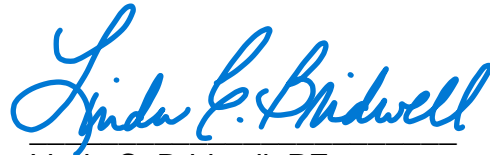
h. For Clerical and Office Expense, Supplies on the Re-Connection Charge Cost Justification Sheet totaling \$3.50, explain how this amount was determined to be appropriate.

(1) Explain what is included in this amount.

(2) Provide all calculations and assumptions used to determine the amount of the expense.

i. For Clerical and Office Expense, Labor on the Returned Check Charge Cost Justification Sheet of \$16.75 at 1.0 hours totals \$16.75, explain how this amount was determined to be appropriate. Provide all calculations and assumptions used to determine the amount of the expense.

j. For any Nonrecurring Charge that a Cost of Justification Sheet is changed or revised based upon the answers to the previous requests, provide a revised Cost Justification Sheet with the amounts to be considered in the revised charge.



Linda C. Bridwell, PE  
Executive Director  
Public Service Commission  
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DATED NOV 17 2022

cc: Parties of Record



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