

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

April 25, 2011

Mr. Jeff Derouen
Executive Director - Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40620-0615

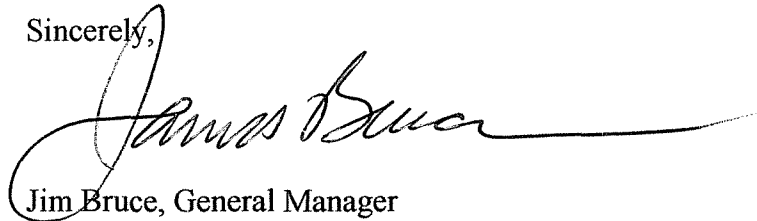
**SUBJECT: Response to Data Request 2 from PSC Staff, Dated 15-April-2011
Case 2010-00459 - Tariff for Non-Recurring Web / Internet Payment Fee**

Dear Director Derouen,

Enclosed please find an original and 7 copies of our response to a data request presented by Commission staff for the above tariff filing. The deadline is 29-April.

If you have any questions, please do not hesitate to call me or our attorney, Mr. David Wilson II (Phone: 270-351-4404).

Sincerely,



Jim Bruce, General Manager

Cf; Mr. David Wilson II, HCWD1 Attorney

Encl.

RECEIVED
APR 29 2011
PUBLIC SERVICE
COMMISSION

Q1. Provide a copy of the agreement between Hardin County Water District No. 1 and Transaction Warehouse. If the agreement between Hardin District No. 1 and Transaction Warehouse does not expressly provide for a \$1.00 transaction fee, state the basis for this fee and explain how it was derived

Answer; Per the attached agreement (Exhibit A) between Hardin County Water District No. 1 and Transaction Warehouse, "The iWEB MS fee of \$1.00 per successful payment transaction payable to Transaction Warehouse, Inc. will be added to the current Hardin County Water District No. 1 agreement with Collector Solutions, Inc."

WITNESSES: Charlene Easter, HCWD1 Customer Service Manager

Q2. State whether the License, Software, and Set-up Fee of \$3,200 for iWEB allows Hardin District No. 1 to permanently use the software. If the license only allows usage for a limited period of time, state the length of time during which Hardin District No. 1 may use the service without additional payments

Answer; Per the attached accepted proposal (Exhibit B) and corresponding invoices from Harris, Hardin County Water District No. 1 purchased the iWEB MS License and Remote Assistance for \$3,200. This allows use of the software and license permanently. We also purchased a one year annual support agreement for \$150.00 from Harris should we need technical support

WITNESSES: Charlene Easter, HCWD1 Customer Service Manager

Q3. State whether an individual with multiple water accounts can pay every account with one online transaction or whether separate transactions are required for each account.

Answer; Currently a customer with multiple accounts must create an online profile for each account and pay them individually. Transaction Warehouse has stated that "eventually will allow account merging where the payments for multiple accounts can be done, with an individual transactions but at the moment there are some technical hurdles with that, namely screen real estate and layout concerns."

WITNESSES: Charlene Easter, HCWD1 Customer Service Manager

Q4. Identify the total number of water customers served by Hardin District No. 1.

Answer; As of March 31, 2011 Hardin County Water District No. 1 had 10,125 total water customers.

WITNESSES: Charlene Easter, HCWD1 Customer Service Manager

Q5.

- a. State the total number of sewer customers served by Hardin District No. 1.

Answer: As of March 31, 201 Hardin County Water District No. 1 had 9,053 Total Sewer Customers. Its Fort Knox sewer utility (sanitary and storm sewer) is counted as 1 sewer customer.

- b. State the number, if any, of sewer customers who do not receive water service from Hardin District No. 1.

Answer: As of March 31, 201 Hardin County Water District No. 1 had 408 Total Sewer only Customers.

- c. If Hardin District No. 1 has sewer customers who are not water customers, state whether those sewer customers can use the internet payment system.

Answer: All Hardin County Water District No. 1 customers may use the internet payment system as long as they enter their account number.

WITNESS: Charlene Easter, HCWD1 Customer Service Manager

Q6. If Hardin District No. 1 has sewer customer who can use the internet payment system and are not water customers, state whether a portion of the costs of the license fee, website design, dedicated server, ISP subscription, e-mail hosting service and data backup service should be allocated to these customers.

Answer: Currently about 86% of all HCWD1 customers have both a water and sewer account. To simplify the payment process, HCWD1 did not propose a separate web payment fee for water and one for sewer. The vendor and contractor costs are also not separated between the utilities. The internal allocation of the expense however has been allocated between the funds based on proportion of total revenues billed and collected between the two utilities.

WITNESS: Jim Bruce, HCWD1 General Manager

Q7. State whether Hardin District No. 1 anticipates including this expense in base rates in its next general rate case.

Answer: Yes, the expense would be listed as an annual operating expense, included in its total revenue requirements. However, if the web payment is approved by PSC, all the revenues received from this non-recurring charge would also have to be shown as a revenue offset, or credit against revenue requirements, and therefore in the end would not add to the rate base or be collected twice from all customers and just those choosing to pay by web payment method. HCWD1 is proposing that the costs of the web payment method be recovered only through a non-recurring fee, only paid by those customers choosing to use this payment method, and the same costs would not be recovered in a future general rate case.

WITNESS: Jim Bruce, HCWD1 General Manager

Exhibit A

AGREEMENT FOR JOINT COLLECTION OF FEES

Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160
Phone: (270) 351-3222

Hardin County Water District No. 1 elects to have their iWEB MS fees collected in partnership with CollectorSolutions, Inc.

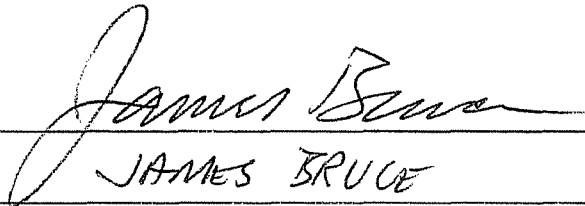
The iWEB MS fee of \$1.00 per successful payment transaction payable to Transaction Warehouse, Inc. will be added to the current Hardin County Water District No. 1 agreement with CollectorSolutions, Inc.

The iWEB MS fee is in addition to any and all other CollectorSolutions, Inc. fees and only applies to successful web payments performed through iWEB MS.

CollectorSolutions, Inc. will remit all designated iWEB MS fees directly Transaction Warehouse, Inc.

Under the above defined agreement, Hardin County Water District No. 1 will not be directly invoiced for iWEB MS fees.

Signature:



Printed Name:

JAMES BRUCE

Title:

GENERAL MANAGER

Date:

7-16-10



To: Charlene Easter
Company: Hardin County Water District #1
Email: ceaster@hcwd.com

From: Debra Laskowski
Telephone No.: (903) 535-8222 X 201
Fax Number: (903) 535-9967

Date: May 26, 2010
Subject: iWEB MS Proposal

Below you will find a proposal for the iWEB MS for inHANCE Utility Solutions. If you wish to take advantage of this please sign and date this order sheet and return it via fax to (903) 535-9967 at your earliest convenience. We appreciate your continued support of our products. **This quotation is valid through July 30, 2010.**

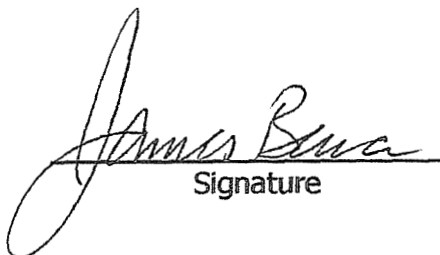
iWEB MS Pricing

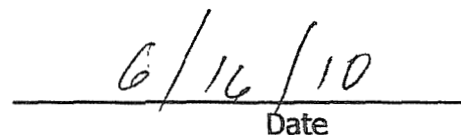
- inHANCE iWEB MS License for the inHANCE Utility Solutions \$3,000.00
- Up to two (2) hours of remote iWEB MS setup Assistance \$ 200.00
- Additional Annual Maintenance \$ 150.00

Total iWEB MS Cost \$3,350.00

Transaction Warehouse charges \$1 per transaction this will be in addition to the fees charged by your credit card processor. Transaction Warehouse is also a partner of CSI therefore he is able to offer a more integrated system to Hardin County Water District #1.

Above Order Accepted and Approved By:


Signature


Date

To order just sign and date this form and fax back to 903.535.9967

HARRIS

Exhibit B

LD66516

1 Antares Drive, Suite 400
 Ottawa, Ontario Canada K2E 8C4
 Phone: (613)226-5511 FAX: (613)226-3377

Invoice	CT007245
Date	6/30/2010
Page	1

Bill To:

Hardin Co Water Dist #1
 1400 Rogersville Rd
 Radcliffe KY 40160-9343

Ship To:

Hardin Co Water Dist #1
 1400 Rogersville Rd
 Radcliffe KY 40160-9343

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms
	HAR31		DELIVERY	Receipt
Ordered	Item Number	Description	Unit Price	Ext. Price
1.00	TEXAS - CD - LICENSE	IWEB MS License	US\$3,000.00	US\$3,000.00
<input checked="" type="checkbox"/> REGULAR PURCHASE TRANSACTION OR <input type="checkbox"/> CREDIT CARD TRANSACTION Date: <u>10-30-10</u> <u>Employees</u> <u>EASTER</u> <input type="checkbox"/> PWTP <input type="checkbox"/> ADM <input type="checkbox"/> DIST <input type="checkbox"/> INT <input type="checkbox"/> QS <input type="checkbox"/> PUR Vendor: <u>HARRIS Computer</u> Description: <u>iwebms License</u> Account #: _____ \$ _____ Account #: _____ \$ _____ Account #: _____ \$ _____ TOTAL CHARGE \$ <u>3000.00</u>				
<p>You can now pay by credit card at www.inhanceus.com click on 'Customer', enter password INHANCE (case sensitive), then click on 'Make Payment'. *Please enter invoice number in appropriate field to ensure proper credit to your account.</p>				
<p>Questions or comments? Please contact Kim at kbays@harriscomputer.com</p>				
			<p>10.00 1834000 \$1,590.00 30.00 1733910 \$1,410.00</p>	

Questions? Email - kbays@harriscomputer.com or call (405) 810-8008, ext 102.
 Thank you for your business!

Subtotal	US\$3,000.00
Misc	US\$0.00
Tax	US\$0.00
Freight	US\$0.00
Trade Discount	US\$0.00
Total	US\$3,000.00

HARRIS

Exhibit B

CD66506

1 Antares Drive, Suite 400
 Ottawa, Ontario Canada K2E 8C4
 Phone: (613)226-5511 FAX: (613)226-3377

Invoice	XT00046393
Date	7/31/2010
Page	1

Bill To:

Hardin Co Water Dist #1
 1400 Rogersville Rd
 Radcliffe KY 40160-9343

Ship To:

Hardin Co Water Dist #1
 1400 Rogersville Rd
 Radcliffe KY 40160-9343

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms
	HAR31		DELIVERY	Receipt
Ordered	Item Number	Description	Unit Price	Ext. Price
1.00	TX - PS INSTALL	Remote Assitance for iWEB MS	US\$200.00	US\$200.00
<p style="text-align: right;">1834000 10.00. 183000 20.00. 1733910</p> <p><input checked="" type="checkbox"/> REGULAR PURCHASE TRANSACTION OR <input type="checkbox"/> CREDIT CARD TRANSACTION Date: <u>7-31-10</u> Employee <u>EMSTER</u> <input type="checkbox"/> PWTP <input type="checkbox"/> ADM <input type="checkbox"/> DIST <input type="checkbox"/> MT <input type="checkbox"/> CS <input type="checkbox"/> PUR Vendor: <u>HARRIS</u> Description: <u>WORK ON SERVER TO INSTALL iWEBMS</u> Account #: <u>30.1733910</u> \$ Account #: <u>1034834.000</u> \$ <u>200.00</u> TOTAL CHARGE \$ <u>200.00</u></p>				
<p>You can now pay by credit card at www.inhanceus.com. click on 'Customer' enter password INHANCE (case sensitive), then click on 'Make Payment'. *Please enter invoice number in appropriate field to ensure proper credit to your account.</p>				
<p>Questions or comments? Please contact Kim at kbays@harriscomputer.com</p>				

Questions? Email - kbays@harriscomputer.com or
 call (405) 810-8008, ext 102.
 Thank you for your business!

Subtotal	US\$200.00
Misc	US\$0.00
Tax	US\$0.00
Freight	US\$0.00
Trade Discount	US\$0.00
Total	US\$200.00

HARRIS

1 Antares Drive, Suite 400
 Ottawa, Ontario Canada K2E 8C4
 Phone: (613)226-5511 FAX: (613)226-3377

Invoice	MN00036056
Date	11/30/2010
Page	1

Bill To:

Hardin Co Water Dist #1
 1400 Rogersville Rd
 Radcliffe KY 40160-9343

Ship To:

Hardin Co Water Dist #1
 1400 Rogersville Rd
 Radcliffe KY 40160-9343

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms
	HAR31		DELIVERY	Receipt
Ordered	Item Number	Description	Unit Price	Ext. Price
1	TEXAS - ISB	IWEB MS Annual Support; NOV/2010 - OCT/2011	US\$150.00	US\$150.00
<p>REGULAR PURCHASE TRANSACTION <input checked="" type="checkbox"/> OR CREDIT CARD TRANSACTION <input type="checkbox"/></p> <p>Date: 11-30-10 Employees <u>FAST</u></p> <p><input type="checkbox"/> PWFP <input type="checkbox"/> ADH <input type="checkbox"/> ST <input type="checkbox"/> VT <input type="checkbox"/> OS <input type="checkbox"/> PUR</p> <p>Vendor: <u>HARRIS</u></p> <p>Description: <u>Annual IWEB MS Support</u></p> <p>Account #: <u>10.19.615002</u> \$ <u>150.00</u></p> <p>Account #: _____ \$ _____</p> <p>TOTAL CHARGES \$ <u>150.00</u></p>				
<p>You can now pay by credit card at www.inhanceus.com click on 'Customer', enter password inHANCE (case sensitive), then click on 'Make Payment'. *Please enter invoice number in appropriate field to ensure proper credit to your account.</p>				
<p>Questions or comments? Please contact Kim at kbays@harriscomputer.com</p>				

11/23/10

Questions? Email - kbays@harriscomputer.com or call (405) 810-8008, ext 102. Thank you for your business!

Subtotal	US\$150.00
Misc	US\$0.00
Tax	US\$0.00
Freight	US\$0.00
Trade Discount	US\$0.00
Total	US\$150.00