

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MOUNTAIN)	CASE NO.
WATER DISTRICT FOR A GENERAL)	2022-00367
ADJUSTMENT OF SEWER RATES)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO MOUNTAIN WATER DISTRICT

Mountain Water District (Mountain District), pursuant to 807 KAR 5:001E, shall file with the Commission an electronic version of the following information. The information requested is due on June 5, 2023. The Commission directs Mountain District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ 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

¹ 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.

Mountain District shall make timely amendment to any prior response if Mountain District obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Mountain District fails or refuses to furnish all or part of the requested information, Mountain 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 and scanned 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, Mountain District shall, in accordance with 807 KAR 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible:

a. The general ledger for the Test Year; and the trial balance for the Test Year.

b. Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the Test Year.

c. Minutes from Mountain District's commissioner meetings for the calendar years 2020, 2021, and 2022.

d. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

e. A document listing the name of all commissioners for each of the five previous years, and state, individually, the total amount of each benefit paid to, or on the behalf of, each commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.).

(1) Confirm if commissioners have completed all required Commission approved training.

(2) Provide Fiscal Court minutes approving Commissioner appointment and compensation.

f. Refer to the Application, Exhibit 6, Schedule of Adjusted Operations Reference. Provide all workpapers used to generate the proposed adjustments.

2. Provide a copy of the most recent invoice received for all insurance policies provided to employees

3. Refer to the Application, Exhibit 10, and Mountain District's response to Commission Staff's First Request for Information (Staff's First Request), Item 33. Confirm whether Mountain District wants to use 49.73, 55.55, or 51.55 percent for the Increase for Revenue Requirement.

4. Refer to the Application, Exhibit 6, Mountain Water District Sewer Utility Wages, Mountain Water District Sewer Utility Wages (Test Year, Current, and Future) table.

- a. Confirm the date the imminent Sewer Wages become effective.
- b. Explain how employees are able to work more than 2080 regular hours annually.
- c. Provide the allocation methodology used to determine the allocation of water and sewer wages.

5. Refer to the Application, Exhibit 6, Schedule of Adjusted Operations (SAO), Reference A and Exhibit 7, Usage and Revenue Information (BA):

- a. Explain and reconcile the Flat Rate Revenues on the SAO of \$134,316 and the Flat Rate Revenues on the BA of \$169,742.
- b. Explain and reconcile the Measured Rate Revenues on the SAO of \$1,961,422 and the Measured Rate Revenues on the BA of \$2,074,734.

6. Refer to the Application, Exhibit 10, Debt Service Requirements for 2023-2027. For each outstanding debt issuance still active:

- a. Provide the case number in which Mountain District was authorized to issue the debt.
- b. Provide the debt amortization tables.

7. Provide the total amount collected for the sewer division's late fees/forfeited discounts for the fiscal year 2020-2021 and the test year 2021-2022.

8. Refer to Mountain District's – Sewer Tariff, PSC Ky. No. 1, Third Revised, Sheet No. 8, and Mountain District's response to Staff's First Request, Item 36,

Attachment 36. Explain the reasoning for Mountain District's request that any revisions made by the Commission be rounded to the nearest \$5 or \$10 amounts, when the Commission's has historically used the rounding of the nonrecurring charges to the nearest dollar.

9. Refer to Mountain District's – Sewer Tariff, PSC Ky. No. 1, Third Revised, Sheet No. 8, and Mountain District's response to Staff's First Request, Item 36, Attachment 36, Returned Check Charge and the Investigation Charge – After Hours.

a. Explain Mountain District's notation for Clerical and Office Expense, Labor expense that it includes one employee to research and prepare paperwork and one employee to verify and post. Confirm there is no charge of a bank fee to Mountain District for a returned check charge.

b. Explain Mountain District's notation for Field Expense, Labor expense that it includes Labor expense of \$25.73 as the callout crews are paid for a minimum of three hours.

i. Provide an itemized breakdown of this expense and provide the hourly rate for each employee.

ii. Explain the method of calculating the portion of the salaries to be allocated to this category.

b. Explain Mountain District's notation for Clerical and Office Expense, Labor expense and why it includes Labor expenses under this category for an Emergency Operator and Office Employee.

i. Provide an itemized breakdown of this expense and provide the hourly rate for each employee.

ii. Explain the method of calculating the portion of the salaries to be allocated to this category.

10. Refer to Mountain District's – Sewer Tariff, PSC Ky. No. 1, Third Revised, Sheet No. 8, and Mountain District's response to Staff's First Request, Item 36, Attachment 36.

b. Explain the Clerical and Office Expense, Supplies expense of \$1.40 and all items this amount is to recover for supplies.

c. Explain the Miscellaneous Expense, Transportation expense of \$13.10 and the method of calculating this amount.

11. Refer to the Application, Exhibit 6, Schedule of Adjusted Operations, and Mountain District's response to Staff's First Request, Item 35.

a. Provide an itemization of the Miscellaneous Operating Fees of \$14,301.

b. Reconcile the \$14,301 and the amount stated in Item 35 of \$2,639.



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

DATED MAY 22 2023

cc: Parties of Record

*Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Roy Sawyers
Mountain Water District
P. O. Box 3157
Pikeville, KY 41502

*Mountain Water District
6332 Zebulon Highway
P. O. Box 3157
Pikeville, KY 41502-3157

*Tammy Olson
Mountain Water District
P. O. Box 3157
Pikeville, KY 41502