

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF HARRISON)	CASE NO.
COUNTY WATER ASSOCIATION, INC. FOR AN)	2023-00154
ALTERNATIVE RATE ADJUSTMENT)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO HARRISON COUNTY WATER ASSOCIATION, INC.

Harrison County Water Association, Inc. (Harrison Water), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 3, 2023. The Commission directs Harrison Water 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.

Harrison Water shall make timely amendment to any prior response if Harrison Water 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 Harrison Water fails or refuses to furnish all or part of the requested information, Harrison Water 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, Harrison Water 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 the Application, Exhibit 4, General Ledger for 2022 (GL). Also refer to Harrison Water's response to Commission Staff's First Request for Information (Staff's First Request), Item 24.

- a. Provide the account numbers in the GL that represent the \$14,038 stated in the Statement of Adjusted Operations.

b. Provide a detailed itemization of the charges that are included in the GL account from Item 1a.

c. Provide a detailed itemization of the charges that are included in the category titled in the SAO - Other Operating Revenues and that total the amount of \$14,038.

d. Provide a reconciliation of the amounts provided in 1a from the General Ledger with the amount in the SAO for Other Operating Revenues.

2. Refer to the Application, Exhibit 5, Usage and Revenue Tables for Present and Proposed Rates (Billing Analysis). Also refer to Harrison Water's response to Staff's First Request, Item 21.

a. Provide these tables in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

b. Provide a list of applicable billing adjustments made to the Usage and Revenue Tables for Present and Proposed Rates (Billing Analysis) and include an explanation of each adjustment.

3. Provide updated cost justification information tap fees listed in Harrison Water's tariff.

4. Refer to Harrison Water's response to Staff's First Request item 1a, Excel-(1a)-2022_Trial_Bal-xlsx, Account 7030 Interest Income Exhibit 6. Also refer to the application, Exhibit_6_Rev_Req_Calc-Debt_Cov_Method.pdf, Revenue Requirement Calculation – Debt Coverage Method table. Reconcile or confirm whether Interest Income is \$14,038 as recorded in the Application or \$11,548 as in the 2022 Trial Balance.

5. Refer to the Application, Exhibit 4a, Exhibit_4a-ARF_Supplementation_to_Schedule_of_Adjustments.pdf, at 8. The schedule of adjusted operations proposes to amortize \$45,000 in rate case expense over a three-year period. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses for this rate case incurred to date and General Ledger account charged for the following categories in Excel spreadsheet format with all formulas, columns, and rows unprotected and accessible:

- (1) Accounting;
- (2) Engineering;
- (3) Legal;
- (4) Consultants; and
- (5) Other Expenses (Identify separately).

b. For each category identified in Item 5.a., the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the test year.

c. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in Item 5.a., with an estimate of the hours to be worked and the rates per hour. Include a detailed

explanation of how the estimate was determined, along with all supporting workpapers and calculations.

d. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in Items 5.a. and 5.b., and a cumulative total of cost incurred to date for each category. Updates will be due when the utility files its monthly financial statements with the Commission, through the month of the public hearing.

6. Refer to the Application, Exhibit 4a, Exhibit_4a-ARF_Supplementation_to_Schedule_of_Adjustments.pdf, at 6, Item 8. Provide the most recent invoice for water testing.

7. Refer to Harrison Water's response to Staff's First Request item 1h, provide in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible a copy of the workpapers. Harrison Water previously provided a narrative explanation for the adjustments; provide the actual workpapers, in excel format, showing the calculations used to determine the proposed adjustments.

8. Refer to Harrison Water's response to Staff's First Request, Item 1a, Excel-(1a)-2022_Trial_Bal-xlsx, account 6055 Employee Benefits. Also refer to the Application, Exhibit 4a, Exhibit_4a-ARF_Supplementation_to_Schedule_of_Adjustments.pdf. Reconcile or confirm whether Employee Pensions and benefits is \$223,832 as recorded in the application or \$224,280 as in the 2022 Trial Balance.

9. Refer to Harrison Water's response to Staff's First Request, Item 4b. Also refer to Harrison District's response to Staff's First Request item 1a, Excel-(1a)-

2022_Trial_Bal-xlsx. Provide the Trial Balance accounts used to determine the \$77,659 (audit category of office and supplies).

10. Refer to Harrison Water's response to Staff's First Request, Item 12. Exhibit_12_BGE.xlsx, and Exhibit12_-KU.xlsx. Provide the per Kwh cost for the test year for both vendors for the test year.

11. Refer to Harrison Water's response to Staff's First Request, Item 13.

a. Provide a complete list of all surcharges and pass through taxes added to the purchased power bills

b. Provide a copy of the most recent invoice from each water supplier to Harrison Water.

12. Refer to Harrison Water's response to Staff's First Request, Item, 14. Provide a copy of all water testing services invoices for the test year.

13. Refer to Harrison Water's response to Staff's First Request, Item 20, the Excel File provided in response to this request is not a cost-of-service study.

a. Provide the most recent cost-of- service study as outlined above that has been performed for Harrison Water.

b. If no cost-of-service study has been recently performed state when Harrison Water may perform a cost-of-service study in the future.

14. Refer to Harrison Water's current tariff dated April 27, 2000, Section I, Rules and Regulations, Item 3, page 5 (Sheet 4).

a. Provide the date that Harrison Water's billing cycle begins (meter read date).

b. State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

15. Refer to ARF Form 1, Items 16(a)-(c). Also refer to the Application, Exhibits 9(a)-(b), which contain federal tax returns for 2021 and 2022. Provide a copy of the Kentucky tax returns filed in 2021 and 2022 by Harrison Water.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
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DATED JUL 18 2023

cc: Parties of Record

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