

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF UNION)	CASE NO.
COUNTY WATER DISTRICT FOR AN)	2022-00160
ALTERNATIVE RATE ADJUSTMENT)	

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

Union County Water District (Union 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 September 16, 2022. The Commission directs Union 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.

Union District shall make timely amendment to any prior response if Union 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 Union District fails or refuses to furnish all or part of the requested information, Union 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, Union 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 the amended ARF Application, Attachment 4, Schedule of Adjusted Operations. Provide a detailed breakdown for the \$105,401 Miscellaneous Service Revenues.

2. Refer to Union District's Responses to Commission Staff's First Request for Information filed August 4, 2022 (Staff's First Request), Item 1.a., Excel Workbook: 1a_2021_General_Ledger.xlsx. For each expenditure listed in the table below, provide the following: a detailed description of the expenditure; identify whether any of the

expenditure has been capitalized; and provide copies of all invoices or work orders related to that expenditure.

Account No. and Title	Date	Vendor	Amount
620.53 · Office Supplies/General	12/30/2021	Visa	\$ 1,954.84
620.54 · Office Supp/Computer Supp	05/31/2021	Visa	1,547.58
620.54 · Office Supp/Computer Supp	08/31/2021	Sheffer, Gary S	1,914.45
620.61 · Maint of Mains	01/29/2021	G&C SUPPLIES	1,081.60
620.61 · Maint of Mains	07/14/2021	G&C SUPPLIES	4,918.33
620.62 · Maint of Meters	02/27/2021	MOSS MCGRAW	1,560.00
620.62 · Maint of Meters	05/28/2021	MOSS MCGRAW	1,460.00
620.62 · Maint of Meters	06/29/2021	MOSS MCGRAW	1,560.00
620.62 · Maint of Meters	09/29/2021	MOSS MCGRAW	1,685.00
620.62 · Maint of Meters	12/30/2021	MOSS MCGRAW	1,767.00
620.65 · Maint of Pump Stations	06/03/2021	TAPP COMMUNICATIONS Inc	2,441.00
620.65 · Maint of Pump Stations	11/10/2021	ELECTRIC MOTORS	1,185.80
620.66 · Maintenance	10/20/2021	Henshaw's Services	3,330.00
620.66 · Maintenance	11/17/2021	MORGANFIELD HOME CENTER	4,618.06
620.66 · Maintenance	11/19/2021	Window Shopping	1,500.00
620.66 · Maintenance	11/19/2021	Max's Custom Completion	2,400.00

3. Refer to the *Annual Report of Union County Water District to the Public Service Commission for the Calendar Year Ended December 31, 2021* (2021 Annual Report) at 15, Refer to Union District's Responses to Staff's First Request, Item 1.i, Excel Workbook: 1i_Board_Member_Benefits_and_Premiums.xlsx and refer to Union District's Responses to Staff's First Request, Item 1.a., Excel Workbook: 1a_2021_General_Ledger.xlsx.; Account 603, Commissioners Salary.

a. Provide a detailed explanation as to why the annual Commissioner salaries of \$3,400 per Commissioner were not included in Union District's Excel Workbook provided in its response to Item 1.i.

b. Provide the Fiscal Court minutes approving each commissioner's appointment to Union District's Board of Commissioners (Board) and approving the annual Board Members salaries.

c. Provide the date Union District began providing health insurance benefits to the members of its Board.

d. Provide the Fiscal Court minutes approving the payment of each Board member's health insurance benefit by Union District

e. Provide the minutes from any Union District Board meetings where the issue of providing health insurance benefits to Board members was discussed.

4. Refer to Union District's Responses to Staff's First Request, Item 1.h. The minutes of Union District's Board meetings for the calendar year ended December 31, 2021. At the Board meeting on August 10, 2021, there is a reference to a discussion regarding the purchase of a building for \$50,000.

a. Provide a detailed explanation as to why the discussion to purchase the building was not included in the Board minutes.

b. Identify the building that Union District ultimately purchased.

c. Identify the owner of the building that Union District purchased and state whether the building's owner is related by birth, marriage, or business association past or present to any members of Union District's Board.

5. Refer to Union District's Responses to Staff's First Request, Item 1.h, the minutes from Union District's Board of Commissioner meetings for the calendar year ended December 31, 2021, and to Item 11. At the Board meeting on August 10, 2021, there was a motion to borrow \$75,000 from "UCB" to finance the purchase of the building and fund any improvements.

a. Confirm that the UCB Loan the Board approved at its August 10, 2021 meeting is the same loan identified in Attachment 8 of the application.

b. If the Board was aware that the building it was agreeing to purchase required improvements, then explain why it did not require the previous owner to make the building improvements before the Board purchased the building.

c. Provide an itemized list of the building improvements that were funded with the UCB loan. In the itemized list include a detailed description of each improvement listed, the cost of each improvement, and a copy of the supporting invoice(s) or receipts.

d. Explain whether Union District applied for a Certificate of Public Convenience and Necessity (CPCN) for the building purchase. If so, provide the Case No. and date of approval.

e. If the response to Item 5.d. above is no, provide a detailed explanation as to why Union District did not request a CPCN for the building purchase.

6. Refer to Union District's Responses to Staff's First Request, Item 1.h, Excel Workbook: 3a_Rate_Study_2021_PUBLIC.pdf; Tab: Water Loss.

a. Provide in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible a schedule where Union District recalculates its excess water-loss adjustment using the city of Morganfield's current wholesale water rate of \$2.6924 per 1,000 gallons, that was effective on January 1, 2022.²

b. Include in the Excel spreadsheet provided in Union District's response to Item 6.a. above, the impact the recalculation has on Union District's requested water loss surcharge.

² See Case No. 2022-00021, *Electronic Purchased Water Adjustment Filing of Union County Water District* (Ky. PSC Feb. 24, 2022) at 4.

7. Refer to Union District's Response to Staff's First Request, Item 6e. Provide a current, updated cost justification sheet with all costs for Tap Fees.

8. Refer to Union District's Response to Staff's First Request, Item 7. Also refer to Union District's 2021 Annual Report, page 49. Union District states that their 2021 late fees totaled \$19,168.68. In Union District's 2021 Annual Report, the late fees total \$19,012. Reconcile the discrepancy between the late fees listed in Union District's Response and what was reported on the 2021 Annual Report.

9. Refer to Union District's Response to Staff's First Request, Item 8 regarding the self-read meters,

a. In the current tariff on file with the Commission is Union District's policy regarding the monitoring of customer usage. Explain whether Union District's policy is still the same. If it is not the same, provide the revised policy.

b. Explain whether Union District has evaluated whether to continue the policy on self-read meters.

10. Refer to Union District's Response to Staff's First Request, Item 8, Reconnection Charges and Returned Payment Charges. Explain the \$2 connect fee charge.

11. Refer to Union District's Response to Staff's First Request, Item 8, Meter Read Charges. Explain why the number of occurrences has increased 34 percent between 2018 and 2021.

12. Refer to Union District's Response to Staff's First Request, Item 9. Confirm that the charge estimates reflect current expenses. If not, update with current expenses.

13. Refer to Union District's Response to Staff's First Request, Item 9, the Meter Read Charge.

- a. Explain whether a new pen and notepad is expensed each time.
- b. Provide support for the \$3.07 transportation cost.
- c. Provide support for the \$7.70 estimate for wear on the truck.

14. Refer to Union District's Response to Staff's First Request, Item 9, the Returned Payment Fee.

- a. Provide support for the \$4 in supplies.
- b. Confirm that the bank does not charge Union District a fee for a customer's returned check. If this cannot be confirmed, provide documentation supporting the bank charge.

15. In the current tariff on file with the Commission is Union District's Amendments to Rules and Regulations.

a. Refer to Item 2, which states the following: "There shall be a re-connecting charge in the amount of \$15.00 for any party desiring to resume service with the Union County Water District." The rates and charges on the tariff sheet for reconnection is \$25. Explain the difference between the charges.

b. Refer to Item 7, which states that if an employee of the Water District must read a customer's meter, there will be a charge of \$20. The rates and charges on the tariff sheet for a meter read charge is \$30. Explain the difference between the conflicting amounts charged for reading meters.



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DATED AUG 29 2022

cc: Parties of Record

Case No. 2022-00160

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