

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF GARRISON- )	
QUINCY-KY-O-HEIGHTS WATER DISTRICT FOR )	CASE NO.
AN ALTERNATIVE RATE FILING PURSUANT TO )	2023-00408
807 KAR 5:076 )	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO GARRISON-QUINCY-O-HEIGHTS WATER DISTRICT

Garrison-Quincy-O-Heights Water District (Garrison-Quincy-KY-O-Heights District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on March 15, 2024. The Commission directs Garrison-Quincy-KY-O-Heights 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.

Garrison-Quincy-KY-O-Heights District shall make timely amendment to any prior response if Garrison-Quincy-KY-O-Heights 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 Garrison-Quincy-KY-O-Heights District fails or refuses to furnish all or part of the requested information, Garrison-Quincy-KY-O-Heights 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, Garrison-Quincy-KY-O-Heights 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. Provide a monthly breakdown, with volume, unit cost and monthly grand totals, of each chemical purchased from each supplier for 2022 and year-to-date 2024.
2. Provide the current rate charged by each supplier from whom Garrison-Quincy-KY-O-Heights District purchases each chemical.
3. Refer to the Application, page 23, Fixed Assets list.

- a. State whether customer meter installations are capitalized.
  - b. If customer meter installations are capitalized, provide the asset category in which they are included.
  - c. If customer meter installations are not capitalized, provide the number of installations by year for 2017 through 2021 and 2023.
4. Refer to the Application, Schedule of Adjusted Operations, Adjustment E. Confirm that in addition to the removal of materials and labor, Garrison-Quincy-KY-O-Heights District included the meter taps installed during the test year in depreciation amount for the test year.
5. In Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected, provide the calculations and explanations of methodologies used to allocate each cost that is shared between the water and sewer divisions. This should be broken down. Additionally, designate each general ledger account and description that is only applicable to either the water or sewer division.
6. Refer to the Application, Schedule of Adjusted Operations, Adjustment E. Explain the allocation methodology used for Employee Salaries.
7. Refer to the response to Commission Staff's First Request for Information (Staff's First Request), Item 5, Item\_5\_2022\_Sewer.xlsx. Also refer to the response to Staff's First Request, Item 9, Rate\_Study\_Garrison\_Quincy.xlsx, SAOs Tab, row 14. In Item 5, the employee's Total Wages for All Employees is reported as \$49,224, but in Item 9, it is reported as \$50,515. Reconcile and explain the difference between the amounts.

8. Refer to the response to Staff's First Request, Item 9, Rate\_Study\_Garrison\_Quincy.xlsx, 1c Reconciliation AT to TB Tab, row 21.

a. Confirm Account 04011-0000 Salaries & Wages Employees only accounts for employee expenses related to Garrison-Quincy-KY-O-Heights District's Water Division.

b. If not, explain the allocation methodology Garrison-Quincy-KY-O-Heights District uses to allocate employee salaries between the water and sewer divisions.

9. Refer to the response to Staff's First Request, Item 9, Rate\_Study\_Garrison\_Quincy.xlsx, 1c Reconciliation AT to TB Tab, rows 22 and 23.

a. Confirm that the \$6,281 for account 04012-0000 Commissioners Salaries and the \$1,857.91 account 05034-0000 Commissioners Salaries are both only for the portion of Commissioners Salaries related to Garrison-Quincy-KY-O-Heights District's Water Division.

b. If not, explain the allocation methodology Garrison-Quincy-KY-O-Heights District utilizes to allocate commissioner salaries between water and sewer divisions.

10. Refer to the response to Staff's First Request, Item 1a, Item\_1a\_2022\_Ledger\_Analysis.xlsx, rows 9144 through 9147, Account 4041-0000 Maintenance. Provide a copy of the invoices for the two transactions for \$6,725 each as shown in the Table below. Describe each purchase, its purpose, and state whether the items should have been capitalized. If Garrison-Quincy-KY-O-Heights District believes its classification as an expense is proper, explain its justification.

04041-0000		MAINTENANCE									
03/28/22	1 7255 VISA			CK# 16338	AP	03/28/22	ajohnson	G	\$277.59		
09/19/22	389 7462 LAYNE CHRISTENSEN COMPANY			CK# 16544	AP	09/20/22	ajohnson	G	\$6,725.00		
10/11/22	389 7485 LAYNE CHRISTENSEN COMPANY			CK# 16566	AP	10/18/22	ajohnson	G	\$6,725.00		
									\$13,727.59		\$0.00
	Ending Balance			Transactions: 3					\$13,727.59		

11. Refer to the response to Staff's First Request, Item 1a, Item\_1a\_2022\_Ledger\_Analysis.xlsx, rows 8138 through 8190, Account 4017-0000 Maintenance Supplies. Provide a copy of the six invoices for the transactions reported during the test year that exceed \$1,000. Describe each purchase and state whether the items in the following Table should have been capitalized. If Garrison-Quincy-KY-O-Heights District believes its classification as an expense is proper, explain why.

04017-0000		MATERIALS & SUPPLIES EXPENSE									
03/16/22	50 7235 CITCO WATER			CK# 16321	AP	03/17/22	ajohnson	G	\$1,874.03		
03/16/22	54 7237 CORE & MAIN			CK# 16322	AP	03/17/22	ajohnson	G	\$1,752.57		
07/13/22	54 7378 CORE & MAIN			CK# 16458	AP	07/13/22	ajohnson	G	\$1,052.23		
10/12/22	50 7492 CITCO WATER			CK# 16567	AP	10/18/22	ajohnson	G	\$1,808.64		
11/18/22	50 7539 CITCO WATER			CK# 16613	AP	11/29/22	ajohnson	G	\$3,356.41		
11/29/22	1 7557 VISA			CK# 16632	AP	11/29/22	ajohnson	G	\$1,108.76		

12. Refer to the response to Staff's First Request, Item 9, Rate\_Study\_Garrison\_Quincy.xlsx, 1c Reconciliation AT to TB Tab, row 60. Confirm Account #05000-0500 Sludge Removal is part of the Water Division's expenses and not the Sewer Division.

13. Refer to the response to Staff's First Request, Item 3, Item\_3.xlsx, cell A5. Confirm that Garrison-Quincy-KY-O-Heights District provides \$350 per month for health insurance and not \$3.50 per year. If not confirmed, explain why not.

14. Refer to the response to Staff's First Request, Items 3 and 4. In response to Item 3, Garrison-Quincy-KY-O-Heights District indicated that seven employees receive health insurance; however, in response to Item 4, Garrison-Quincy-KY-O-Heights District provided a copy of an insurance reimbursement and a copy of an invoice from Rural King.

a. Provide a copy of the most recent invoice received for all benefits provided to employees.

b. Confirm that Garrison-Quincy-KY-O-Heights District does not provide health insurance for its employees and only pays reimbursements. If confirmed, describe the reimbursement process.

c. State the relevance of the Rural King invoice.

15. Refer to the response to Staff's First Request, Item 9, Rate\_Study\_Garrison\_Quincy.xlsx, 1c Reconciliation AT to TB Tab, cell D65. Also refer to the Depreciation Tab, cell H33. Also refer to the 2022 Audited Financial Statements, page 6. Depreciation Expense in 1c Reconciliation AT to TB Tab, cell D65, is recorded as \$101,505, Depreciation Expense is \$102,431 in Depreciation Tab, cell H33, and in the audited Financial Statements Depreciation expense – Water is recorded as \$102,307. Reconcile and explain the differences between the varying amounts.

16. Refer to the Application, Schedule of Adjusted Operations. Also refer to the response to Staff's First Request, Item 9, Rate\_Study\_Garrison\_Quincy.xlsx, SAOW tab, cell D35. In the Application, Taxes other Than Income is recorded as \$20,083, while in the Rate Study, it is recorded as \$17,542. Reconcile and explain which amount is correct.

17. Refer to the response to Staff's First Request, Item 5, Item\_5\_2022\_Water.xlsx, cell L34. Also refer to the response to Staff's First Request, Item 9, Rate\_Study\_Garrison\_Quincy.xlsx, SAOW Tab, cell D21. Salaries and Wages – Employees was reported as \$189,321 in Item 5 and as \$189,192 in Item 9. Reconcile and explain the \$129 difference.

18. Refer to the response to Staff's First Request, Item 5, Item\_5\_2022\_Water.xlsx, column K. Explain the nature and criteria for the one-time pay increase.

19. Refer to the response to Staff's First Request, Item 5, Item\_5\_2022\_Water.xlsx, column L. In Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected, provide the calculations used to determine the total Wages paid amounts.

20. Refer to the response to Staff's First Request, Item 5, Item\_5\_2022\_Water.xlsx, rows 25 through 32. Explain Garrison-Quincy-KY-O-Heights District's plans for each of the three vacant positions.

21. Refer to the response to Staff's First Request, Item 21, Occurrences for Nonrecurring Charges, water and sewer. Garrison-Quincy-KY-O-Heights District did not provide an amount or instances in which a Meter Relocation Charge was performed. Clarify whether there were any instances of this service being performed and the amount collected during the test period. If there were no instances of this charge being performed, then confirm.



Linda C. Bridwell, PE  
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DATED     MAR 01 2024    

cc: Parties of Record

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