

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF ALLEN COUNTY WATER )  
DISTRICT TO REVISE ITS NON-RECURRING ) CASE NO. 2013-00188  
CHARGES )

ORDER

Pursuant to KRS 278.180 and 807 KAR 5:011, Section 10, Allen County Water District ("Allen District") has filed notice of proposed revisions to certain non-recurring charges. Allen District proposes to place these proposed revisions into effect on June 1, 2013.

KRS 278.180(1) provides that a utility may make no change in any rate except upon 30 days' notice to the Commission. KRS 278.190 provides that the Commission may investigate the reasonableness of any proposed revision and, at any time before the proposed rate becomes effective, suspend the operation of the proposed rate for a period of five months while the Commission conducts its investigation.

Having reviewed Allen District's proposed revisions, the Commission finds that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of those revisions and that the effective date of those revisions should be suspended for a period of five months to permit the Commission to complete its review.

IT IS THEREFORE ORDERED that:

1. This proceeding is established to determine the reasonableness of Allen District's proposed rate revisions.

2. Allen District's proposed rate revisions are suspended from June 1, 2013 up to and including October 31, 2013.

3. Any party filing a document or pleading with the Commission shall serve such document or pleading upon all other parties to this proceeding.

4. Any document or pleading that a party serves upon the other parties to this proceeding shall also be filed with the Commission.

5. Service of any document or pleading in paper form shall be made in accordance with 807 KAR 5:001, Section 3(8).

6. The parties shall consider any request for information from Commission Staff as if ordered by the Commission.

7. Allen District shall file with the Commission, no later than June 21, 2013, an original and ten copies of the information listed in the Appendix to this Order. Allen District's response shall comply with the provisions of ordering paragraph 8 of this Order.

8. a. All responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness who will be responsible for responding to the questions related to the information provided, with copies to all parties of record and five copies to the Commission.

b. Each response shall be 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 person supervising the preparation of the response on behalf of the entity that the response is true and

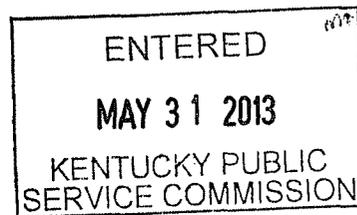
accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. A party shall make timely amendment to any prior response if it obtains information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

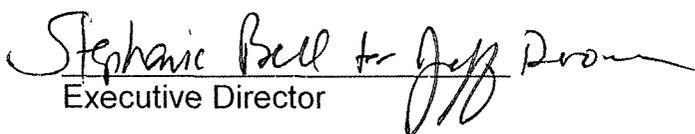
d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention shall be given to the legibility of copied material.

By the Commission



ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2013-00188 DATED **MAY 31 2013**

1. Provide the minutes of each meeting of Allen District's Board of Commissioners in which the proposed rate revision was discussed.
2. Provide the resolution of Allen District's Board of Commissioners in which the proposed rate revision was approved or, if no resolution was separately prepared, the minutes of the meeting of Allen District's Board of Commissioners in which the proposed rates were approved.
3. List separately for each calendar year from January 1, 2010 through December 31, 2012 the total number of Allen District's:
  - a. New meter connections;
  - b. New 5/8-inch x 3/4-inch meter connections;
  - c. New 1-inch meter connections;
  - d. New 2-inch meter connections; and
  - e. New larger meter connections.
4. State the number of spare meters that Allen District has in its inventory as of May 31, 2013.
5. State the number of meters that Allen District seeks to maintain in its inventory.
6. State the number of meters that Allen District purchases when it purchases 5/8-inch x 3/4-inch meters.

7. For each of Allen District's last five purchases of 5/8-inch x 3/4-inch meters, state the date the purchase was made, the vendor, and the number of meters purchased.

8. Identify each vendor from whom Allen District solicited a bid or estimate regarding meters in the course of preparing its proposed rate revision and the vendor's address.

9. State whether, in Allen District's opinion and experience, the cost per unit for meters is less when the purchase order is for a number of meters rather than one meter.

10. Identify each vendor from whom Allen District solicited a bid or estimate regarding meter-setting materials in the course of preparing its present application and provide the vendor's address.

11. Describe how Allen District determined the number of hours of labor required for installing a meter.

12. For each meter installation performed from January 1, 2010 through December 31, 2012, state the meter size, type of service (short side or long side), and the number of hours required for the installation.

13. List all activities performed in installation expense for both short-side and long-side service and the amount of time for each activity. Explain how Allen District determined the amount of time for each activity.

14. In its calculation of Installation Labor Expense, Allen District assumes an hourly wage rate of \$18.00.

a. State the number of Allen District employees whose primary duties include the installation of water meters.

b. State the hourly wage rate of each current Allen District employee whose primary duties include the installation of water meters.

c. State whether the hourly wage rates provided in response to Item 13(b) include any of the following: employer Social Security tax, employer Medicare tax, employer retirement plan contribution, workers' compensation insurance, sick leave pay, annual leave pay, or employer health insurance contribution.

15. a. List each type of equipment that is included in Installation Equipment Expense.

b. For each type of equipment listed in response to Item 15(a), state whether it is used for both types of service (i.e., short side or long side). If not used for both types, identify the type of service for which the equipment is used.

c. For each type of equipment listed in response to Item 15(a), state whether Allen District owns such equipment.

16. Explain how Allen District determined the amount of time for Installation Equipment Expense. Provide all records and show all calculations that Allen District used to make its determination.

17. To the extent that Installation Equipment Expense involves the rental of equipment, identify all suppliers from whom Allen District has rented equipment for installing meters during the period January 1, 2010 through December 31, 2012.

18. Identify all persons from whom Allen District, in the course of preparing its proposed rates, solicited a bid or estimate regarding the rental of equipment listed in response to Item 15(a).

19. In determining the Site Clean-Up component of Installation Miscellaneous Expense, Allen District determined that six man-hours are required for each installation. State whether this determination applies equally to short-side service installations and long-side service installations.

20. a. List and describe the equipment that is referenced in Installation Miscellaneous Expense.

b. For each type of equipment listed in response to Item 20(a), state whether it is used for both types of service (i.e., short side or long side). If not used for both types, identify the type of service for which the equipment is used.

c. For each type of equipment listed in response to Item 20(a), state whether Allen District owns such equipment.

d. Explain how Allen District determined the cost for the equipment component of Installation Miscellaneous Expense. Provide all records and show all calculations that Allen District used to make its determination.

e. To the extent that the equipment component of Installation Miscellaneous Expense involves the rental of equipment, identify all suppliers from whom Allen District has rented such equipment during the period January 1, 2010 through December 31, 2012.

f. Identify all persons from whom Allen District solicited a bid or estimate regarding such equipment rental in the course of preparing its proposed rates.

21. List and describe the costs that Allen District has included in Overhead Expense.

22. Describe how Allen District determined its Overhead Rate to be 10 percent.

23. List all activities included in the administrative expense of \$17.00 and the amount of time that each activity takes. Explain how Allen District determined the amount of time for each activity.

21. Show all calculations that Allen District used to develop its estimate for administrative expense.

22. List separately for each calendar year from January 1, 2010 through December 31, 2012 the total number of Allen District's connections or reconnections for which Allen District assessed a reconnect fee or connection fee.

23. Describe how Allen District determined that two hours of labor was required for a connection or reconnection. Provide all records and show all calculations that Allen District used to make its determination.

24. List and describe the clerical labor activities that are involved in a reconnection or connection.

25. Describe how Allen District determined Clerical and Office Expense for a connection or reconnection. Provide all records and show all calculations that Allen District used to make its determination.

26. Explain why Allen District based the Transportation component of Miscellaneous Expense for Reconnection/Connection Fee on 50 miles.

27. List the hourly wage rates of each Allen District employees who connect or reconnect a customer's service.

28. Describe how Allen District determined Clerical and Office Expense for a returned check or dishonored bank draft. Provide all records and show all calculations that Allen District used to make its determination.

29. List and describe the clerical activities involved when Allen District receives a dishonored check or bank draft.

30. State whether the hourly wage rates provided for the Returned Check fee includes any of the following: employer Social Security tax, employer Medicare tax, employer retirement plan contribution, workers' compensation insurance, sick leave pay, annual leave pay, or employer health insurance contribution.

31. State the hourly wage rates of the employees who perform clerical duties for Allen District.

32. Explain why Allen District based the Transportation component of Miscellaneous Expense for Meter Reading Recheck Charge on 50 miles.

33. List and describe the activities involved in performing a meter reading recheck.

34. Describe how Allen District determined that two hours of labor are required to perform a meter reading recheck.

35. List and describe the activities involved in performing a service call or investigation.

36. Describe how Allen District determined that two hours of labor are required to perform a service call or investigation.

37. Explain why Allen District based the Transportation component of Miscellaneous Expense for Service Call Charge on 50 miles.

38. Provide a copy of all Allen District's written policies and rules regarding the payment of overtime pay.

Sue Carter  
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Allen County Water District  
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