

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

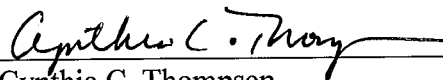
PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES OF) CASE NO. 2015-00039
THE CITY OF AUGUSTA)

CITY OF AUGUSTA'S RESPONSE TO THE KENTUCKY PUBLIC SERVICE
COMMISSION'S THIRD REQUEST FOR INFORMATION

Pursuant to the Public Service Commission's request for information dated April 13, 2015 and May 29, 2015, the City of Augusta respectfully submits the following information to the Kentucky Public Service Commission.

Dated: June 2, 2015

Respectfully submitted,

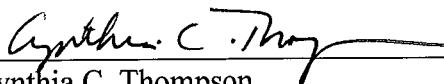


Cynthia C. Thompson
202 E. Riverside Drive
Augusta, KY 41002
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Telephone: (606) 756-2663
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Counsel for City of Augusta

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the City of Augusta's June 2, 2015 electronic filing of this Statement is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Commission on June 2, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a paper copy of this Statement will be mailed to the Commission on June 3, 2015.


Cynthia C. Thompson

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
BRACKEN COUNTY)

The undersigned, Gretchen Usleaman; being duly sworn, deposes and says that she is the City Clerk for the City of Augusta, and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and that the answers contained therein are true and correct to the best of her information, knowledge and belief.

Gretchen Usleaman
Gretchen Usleaman

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 2nd day of June 2015

Gytha [Signature] (SEAL)
Notary Public

My Commission Expires:

8/25/2015

THIRD RESPONSE TO THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO.
2015-00039

CITY OF AUGUSTA

Question No. 1, 2 and 3

Witness: Gretchen Usleaman

1. Rate Case expense, to date.
 - a. Attached as Exhibit 1 are the calculations used to provide the Rate Case expenses to date. The total estimated amount to date is \$10,893.01.
 - b. The City of Augusta will seek recovery of its rate case expense through the assessment of a monthly surcharge to the Bracken County Water District. The monthly surcharge will be in effect for a 12 month period. The monthly payments are projected to be \$907.75.
 - c. Not applicable.
2. Expenses in the amount of \$9,737 for 150 pound chlorine containers were incorrectly charged to the Water Treatment Plant.
 - a. Some Workers Compensation Premiums were incorrectly charged to the Water Treatment Plant for maintenance employees.
 - b. The following expenses were incorrectly allocated to another City department that should have been allocated to the Water Treatment Plant and included in the rate calculation. These expenses are currently estimated at \$8,629.00.
 - i. Assistant City Clerk's workers compensation costs, \$260.00.
 - ii. Donna J Hendrix, CPA, Audit expenses attributable to the Water Treatment Plant, \$1,185.00.
 - iii. Penny R. Stanfield, CPA, Fiscal Year end expenses attributable to the Water Treatment Plant, \$640.00.
 - iv. Annual testing of the Bracken County Water District master meter was incorrectly charged to the Water Treatment Plant and should have been directly charged to the Bracken County Water District. The invoice for \$250.00 is attached as Exhibit 2.
 - v. Rhett Kelsch, mowing services at the Water Treatment Plant, \$1,375.00.
 - vi. Legal fees attributable to the Water Treatment Plant, \$3,044.00.
 - vii. Augusta Maintenance Department mowing services at the Water Treatment Plant, \$1,875.00.
 - viii. Doug Padgett, Tourism Director, also performs all of the City's computer maintenance and repair activities as his normal duties. This includes the computers located at the Water Treatment Plant. If these services were contracted out the cost would be around \$80/hour. Estimates for such services will be obtained for submission herein if needed.
 - ix. The City's Maintenance Department provided snow removal and street salt to the Water Treatment Plant during the winter. The City is unsure

about the costs involved with this activity but will obtain estimates for such service for submission.

- x. The City's Maintenance Department constructed a concrete wall inside the Water Treatment Plant for one of the chemical feeders. These construction costs were not allocated to the Water Treatment Plant.
 - xi. The City's Maintenance Department installed a new gas service line to the Water Treatment Plant. These charges were not allocated to the Water Treatment Plant.
3. This Response supplements the City of Augusta's first response to the Public Service Commission, Item 16, regarding master meters. Per the water Purchase Agreement of 1993, section 4.), the Bracken County Master Meter located at the Water Treatment Plant is still the property of Bracken District. According to the Water Purchase Agreement said meter shall be checked and calibrated at the expense of the owner of said meters.

Gretchen England

Date	Hours	Rate of Pay	Total
1/26/2015	2.00	21.52	\$43.04
1/27/2015	2.50	21.52	\$53.80
1/29/2015	1.00	21.52	\$21.52
3/25/2015	8.00	21.52	\$172.16
3/26/2015	6.50	21.52	\$139.88
3/27/2015	8.00	21.52	\$172.16
3/30/2015	3.00	21.52	\$64.56
5/18/2015	7.00	21.52	\$150.64
5/21/2015	3.00	21.52	\$64.56
6/1/2015	1.50	21.52	\$32.28
6/2/2015	1.00	21.52	\$21.52

TOTAL 43.50 \$936.12

Cynthia Thompson

Date			Total
March 2015			\$2,336.25
April 2015			\$1,968.75
May 2015			\$1,360.00
June 2015			\$600.00

TOTAL \$6,265.00

Copy Charges

Pages	Rate	Total
4000	0.02	\$80.00

Page 1 of 4
PSC Exhibit 2



The C.I. Thornburg Co., Inc.
 YOUR FIRST CHOICE IN WATER AND WASTEWATER DISTRIBUTOR
 4034 Altizer Ave.
 Huntington, WV 25705
 1-800-999-3484

FIELD SERVICE REPORT

Date: 7/15/2014 Sheet: 1 of 3

Customer P.O. # _____

Customer: Augusta City of

Job Site: Water Treatment Plant

Assigned Technician Sandy Parr
 Serv. Call _____ Billable _____ Warranty _____
 _____ Other - Describe Below _____

Contact Susan Butts
 Phone 606-756-3305
 Fax 606-756-3257 WTP
 E-mail _____

Calibration Report

Meter Type : 8" McCrometer

Meter Location : Treatment Plant BCWD

Measuring Device: _____
 Calibration Device Used: Thermo Polysonics
DCT7088

Maximum Flow Range: _____
 Temp. Compensation Provided: na

Verification Procedure

Meters Instantaneous Reading :	<u>580</u>	<u>GPM</u>
Manual Instantaneous Reading :	<u>550</u>	<u>GPM</u>
Meter Instantaneous Reading :	<u>580</u>	<u>GPM</u>
Manual Instantaneous Reading :	<u>550</u>	<u>GPM</u>
Meter1 Instantaneous Reading :	_____	<u>GPM</u>
Manual Instantaneous Reading :	_____	<u>GPM</u>
Manual Instantaneous Reading :	_____	_____
Meters Instantaneous Reading :	_____	_____

Adjusted Meters Reading To match Manual Instantaneous Reading ,Using Manufactures Calibration Function
 And Using Manual Instantaneous Measurements. No adjustment needed meter is working properly.

580gpm / 550gpm X 100% = 105% Accuracy

Totalization Provided: 378289 X100
 Meters Output Signal: _____
 Recording Device Used: _____

Problems / Parts Required: No problems at this time.

Mileage accrual per mile:	\$0.10	\$0.00
Service Technician <u>Sandy Parr</u>	Hours _____	Meter Cal. Equip charge \$ 250.00

I certify the above work has been completed to my satisfaction : _____

 Customer's Signature

PENNY R. STANFIELD, CPA & CO., PLLC

2202 OLD MAIN STREET
 MAYSVILLE, KY 41056

Invoice

Date	Invoice #
11/21/2013	6947

Bill To
CITY OF AUGUSTA PO BOX 85 AUGUSTA, KY 41002

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
WTP 1 5.75	09/19/13 A/R DEBT, CASH	80.00	460.00
WTP 2 5.5	10/08/13 WTP, SEWER, WATER FUNDS	80.00	440.00
WTP 1 5.25	10/17/13 GAS, GENERAL, A/P	80.00	420.00
1 1.75	10/22/13 A/P, DEPRECIATION (OFFICE)	80.00	140.00
4.75	10/23/13 GENERAL FUND	80.00	380.00
1	11/14/13 DEPRECIATION WTP (OFFICE)	80.00	80.00
3	WTP RATE, ADJUSTMENTS, ETC	80.00	240.00
<p>285</p> <p>8WTP</p> <p>talked to Penny -</p> <p>6-1-15</p> <p>$8 \times 80 = 640$</p>			
Total			\$2,160.00

Donna J. Hendrix, PSC, CPA
P.O. Box 449
Morehead KY 40351

INVOICE

INVOICE NO. 16404 DATE 12/09/14 PAGE 1 of 1

CUSTOMER ID: CITY AUGUS

BILL TO:

City of Augusta
PO Box 85
219 Main Street
Augusta, KY 41002

DESCRIPTION	AMOUNT
AUDIT 6/30/14 -WATER TREATMENT PLANT	1,185.00
AUDIT 6/30/14 -OTHER	6,715.00
Taxable	0.00
Sales Tax	0.00
Non-Taxable	7,900.00
Subtotal	7,900.00
Total Due	7,900.00

Mowing Expenses
Augusta Water Treatment Plant

Performed By	Times Mowed	Rate	Amount
Rhett Kelsch	11	\$125.00	\$1,375.00
Augusta Maintenance	15	\$125.00	\$1,875.00