

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**APPLICATION OF CALDWELL COUNTY
WATER DISTRICT FOR RATE ADJUSTMENT
PURSUANT TO 807 KAR 5:076**

**Case No.
2016-00054**

**CALDWELL COUNTY WATER DISTRICT RESPONSE TO
ATTORNEY'S GENERALS REQUEST FOR INFORMATION**

Comes now the Caldwell County Water District, by and through counsel, and for its Response to the Attorney General's Request for Information, states as follows:

1. The person responding to the Request for Information and providing the answers to the questions propounded is Patricia A. Fralick, Chairperson of the Caldwell County Water District, mailing address for the Water District, 118 West Market Street, Princeton, Kentucky 42445;

2. The questions responded to are as follows:

Question No. 1: Provide the rationale for the Caldwell County Water District Board's increase in wages to the employees of Caldwell County Water District. This response should include, but not be limited to: consideration of economic factors such as increases in cost of living and inflation; Performance of the individuals employees or as a system; Length of time since the last increase to wages occurred; additional responsibilities of the individual employees or of the system; ability to retain trained and skilled workforce against competition. If possible, provide any meeting minutes or other documents that may evidence these considerations or discussions.

Response Question No. 1; Pursuant to information provided, the Caldwell County Water District considered the following in authorizing wage increases:

Length of time of all employees service, their last dates of salary increase, characteristics and qualifications for the specific job to be performed and the duties required, ability to attract and keep current employees, the needs of the District to keep potable water for its customers and the properly qualified employees necessary for this job, the rate of employee turnover, performance of current employees job duties, job descriptions of each employee and additional responsibilities required of new employees hired within the course of their duties.

Further, consideration was given for the training, prior work experience and skill level of the employees to perform presently and in the future given the duties assigned. Also, consideration was given for inflation and cost of living allowance.

Question No. 2: Refer to Caldwell County Water District's Application and its attachment SAO Table A. Explain in complete detail the discrepancy between the total gallons purchased (102,691,170 gallons) and the total gallons sold (81,772,914). The response should include what factors account for this difference and whether or not the 20 percent variance results in a water loss exceeding 15 percent for the test year ending 12/31/2014.

Response Question No. 2: Pursuant with information provided by the Chief Executive Officer and the Board, the Water District states there was not a water loss exceeding 15% for the test year ending December 31, 2014. The rationale between water purchases (102,691,170 gallons) vs. water sold (81,772,914 gallons), difference of 20,918,256 gallons, is presumed to be due to water used for line flushing and leakage. The Water District has approximately 400 miles of water lines comprising long distances necessitating considerable gallons to be used necessary for flushing of its lines to ensure water quality at acceptable levels. This is to be done for general maintenance and after water line breaks requiring repair.

Additionally, pursuant with the 2014 Public Service Commission Report, copy attached, 13.8465% was attributable for water loss, all being less than the 15% acceptable by applicable standards.

3. The Caldwell County Water District reserves the right to respond to these questions as necessary upon additional supplemental data

requests on or before the due date specified in the Commissions' procedural schedule.

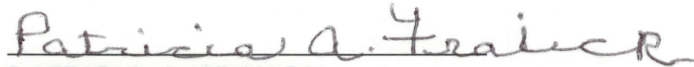
SO SUBMITTED FOR FILING, this the 19th day of September, 2016.



JAMES S. MILLER
Attorney for Caldwell County
Water District
P. O. Box 605
Princeton, Kentucky 42445
Telephone No. 270-365-2477

VERIFICATION

After first being duly sworn and under oath, I, Patricia A. Fralick, in my capacity as Chairperson of the Caldwell County Water District, hereby state I have read Questions No. 1 and 2, that I have provided the Responses to Questions No. 1 and 2, and they are true and correct to the best of my knowledge and belief.

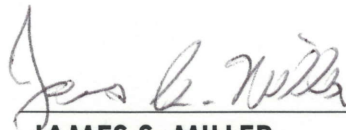

PATRICIA A. FRALICK

SUBSCRIBED AND SWORN TO BEFORE me by Patricia A. Fralick, to be her free act and deed.


NOTARY PUBLIC
My Comm. Exp.: 8/10/19
ID No. 538382

CERTIFICATE OF SERVICE

I hereby certify that the original of the above Response to Attorney General Request for Information was submitted for filing for electronic submission unto the Commonwealth of Kentucky Public Service Commission, and with a true and correct copy being sent by regular mail unto the Kentucky Attorney Generals Office, Andy Beshear, Attorney General, by Kent Chandler, Assistant Attorney General, 10245 Capital Center Drive, Suite 200, Frankfort, KY 40601-82014, on this the 19th day of September, 2016.



JAMES S. MILLER
Attorney at Law

19201 Caldwell County Water District 01/01/2014 - 12/31/2014

Water Statistics (Ref Page: 30)

	Gallons (Omit 000's)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced		
3. Water Purchased	102,170	
4. Total Produced and Purchased	102,170	
6. Water Sales:		
7. Residential	82,694	
8. Commercial	364	
9. Industrial	0	
10. Bulk Loading Stations	337	
11. Resale	0	
12. Other Sales	0	
13. Total Water Sales	83,395	
15. Other Water Used		
16. Utility/water treatment plant	0	
17. Wastewater plant	0	
18. System flushing	4,614	
19. Fire department	14	
20. Other	0	
21. Total Other Water Used	4,628	
23. Water Loss:		
24. Tank Overflows	0	
25. Line Breaks	782	
26. Line Leaks	13,365	
27. Other	0	
28. Total Line Loss	14,147	
Note: Line 13 + Line 21 + Line 28 must equal Line 4		
32. Water Loss Percentage		
33. Line 28 divided by Line 4		13.8465