

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

**In the Matter of:**

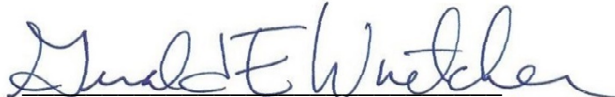
**ELECTRONIC APPLICATION OF EDMONSON )**  
**COUNTY WATER DISTRICT PURSUANT TO KRS )**  
**278.023 AND 807 KAR 5:069 FOR A CERTIFICATE )**  
**OF PUBLIC CONVENIENCE TO EXPAND ITS )**  
**WATER TREATMENT PLANT AND RELATED ) CASE NO. 2019-00355**  
**WATERWORKS IMPROVEMENTS, AN )**  
**ADJUSTMENT OF ITS RATES FOR WATER )**  
**SERVICE; AND AUTHORIZATION TO ISSUE )**  
**CERTAIN SECURITIES )**

**RESPONSE OF EDMONSON COUNTY WATER DISTRICT  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Edmonson County Water District submits its Response to Commission Staff's First Request for Information.

Dated: October 23, 2019

Respectfully submitted,

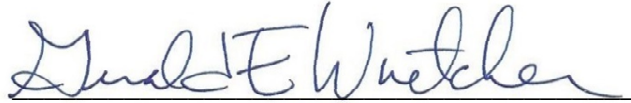


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*Counsel for Edmonson County Water District*

## CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that Edmonson County Water District's electronic filing of this Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on October 23, 2019; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that on or before October 25, 2019 this Response in paper medium will be delivered to the Public Service Commission.

A handwritten signature in blue ink, reading "Michael E. Wetcher". The signature is written in a cursive style with a horizontal line underneath the name.

Counsel for Edmonson County Water District

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

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	
<b>EDMONSON COUNTY WATER DISTRICT</b>	)	
<b>PURSUANT TO KRS 278.023 AND 807 KAR</b>	)	
<b>5:069 FOR A CERTIFICATE OF PUBLIC</b>	)	
<b>CONVENIENCE TO EXPAND ITS WATER</b>	)	<b>CASE NO. 2019-00355</b>
<b>TREATMENT PLANT AND RELATED</b>	)	
<b>WATERWORKS IMPROVEMENTS, AN</b>	)	
<b>ADJUSTMENT OF ITS RATES FOR WATER</b>	)	
<b>SERVICE; AND AUTHORIZATION TO ISSUE</b>	)	
<b>CERTAIN SECURITIES</b>	)	

**RESPONSE OF**  
**EDMONSON COUNTY WATER DISTRICT**  
**TO**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

**FILED: October 23, 2019**



**EDMONSON COUNTY WATER DISTRICT**

**Response to Commission Staff's First Request for Information  
Case No. 2019-00355**

Question No. 1

Responding Witness: Tony Sanders

- Q-1. As 807 KAR 5:069, Section 2(6)(c) , provides, the proposed rates, if any, shall produce the total revenue requirements recommended in the engineering reports. Provide a copy of the billing analysis in Excel spreadsheet format showing revenue at current rates and at proposed rates based on actual and forecasted water usage for the existing system for a 12-month period as contained in the Kentucky Guide 7 Summary Addendum that was provided to the United States Department of Agriculture Rural Development ("RD") as referenced in the Preliminary Engineering Report's Appendix 5 as part of the loan application. The copy provided in Excel spreadsheet format should have formulas intact and unprotected, and all rows and columns fully accessible.**
- A-1. See attached document. An electronic version of the spreadsheet in Excel format is embedded in the electronic version of this Response.

	Proposed Rate Schedule(effective in 2014)	
Water Rate	Min. (1500 gals.)@	\$13.00
	Next 6500 gals.@	\$4.90 per 1000
	Next 12000 gals.@	\$4.90 per 1000
	Next 5,000 gals.@	\$4.90 per 1000
	All Over 25,000 gals.@	\$4.90 per 1000
	Wholesale to Brownsville@	\$2.90 per 1000

**XII. ANALYSIS OF WATER USAGE: EXISTING SEPT. 2017 USERS - 12 MONTH PERIOD**

For Period \_\_\_\_\_ Jan. 2018 \_\_\_\_\_ to \_\_\_\_\_ Dec. 2018 \_\_\_\_\_

Meter Size	Monthly Water Usage	Average	Average Rate	Residential		Non-Residential				
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income	
	0 -	1,500 Gallons	750	\$13.00	4134	3100.5	\$53,742	0	0	\$0
	1,500 -	2,000 Gallons	1,750	\$14.23	1061	1856.75	\$15,093	5	8.75	\$71
	2,000 -	3,000 Gallons	2,500	\$17.90	1465	3662.5	\$26,224	7	17.5	\$125
	3,000 -	4,000 Gallons	3,500	\$22.80	1087	3804.5	\$24,784	14	49	\$319
	4,000 -	5,000 Gallons	4,500	\$27.70	835	3757.5	\$23,130	15	67.5	\$416
	5,000 -	6,000 Gallons	5,500	\$32.60	502	2761	\$16,365	2	11	\$65
	6,000 -	7,000 Gallons	6,500	\$37.50	390	2535	\$14,625	0	0	\$0
	7,000 -	8,000 Gallons	7,500	\$42.40	240	1800	\$10,176	0	0	\$0
	8,000 -	9,000 Gallons	8,500	\$47.30	162	1377	\$7,663	0	0	\$0
	9,000 -	10,000 Gallons	9,500	\$52.20	102	969	\$5,324	0	0	\$0
5/8	10,000 -	11,000 Gallons	10,500	\$57.10	83	871.5	\$4,739	1	10.5	\$57
x	11,000 -	12,000 Gallons	11,500	\$62.00	60	690	\$3,720	4	46	\$248
3/4	12,000 -	13,000 Gallons	12,500	\$66.90	42	525	\$2,810	1	12.5	\$67
Inch	13,000 -	14,000 Gallons	13,500	\$71.80	30	405	\$2,154	1	13.5	\$72
	14,000 -	15,000 Gallons	14,500	\$76.70	16	232	\$1,227	5	72.5	\$384
	15,000 -	16,000 Gallons	15,500	\$81.60	17	263.5	\$1,387	1	15.5	\$82
	16,000 -	17,000 Gallons	16,500	\$86.50	13	214.5	\$1,125	0	0	\$0
	17,000 -	18,000 Gallons	17,500	\$91.40	12	210	\$1,097	0	0	\$0
	18,000 -	19,000 Gallons	18,500	\$96.30	10	185	\$963	0	0	\$0
	19,000 -	20,000 Gallons	19,500	\$101.20	14	273	\$1,417	0	0	\$0
	20,000 -	25,000 Gallons	22,500	\$115.90	14	315	\$1,623	0	0	\$0
	25,000 -	30,000 Gallons	27,500	\$140.40	14	385	\$1,966	3	82.5	\$421
	30,000 -	40,000 Gallons	35,000	\$177.15	13	455	\$2,303	2	70	\$354
	40,000 -	50,000 Gallons	44,000	\$221.25	5	220	\$1,106	2	88	\$443
	50,000 -	75,000 Gallons	60,000	\$299.65	6	360	\$1,798	4	240	\$1,199
	75,000 -	1,000,000 Gallons	275,000	\$1,353.15	0	0	\$0	5	1375	\$6,766
		Sub-Total			10327	31,228	\$226,558	72	2179.8	\$11,088
		Average Monthly Rate		\$22.85						
		Average Monthly Usage				3.02		30.27		
4-inch	City of Brownsville	Gallons	2,908,170	\$8,433.69				1	2908.2	\$8,434
		Sub-Total			10327	31,228	\$226,558	73	5087.9	\$19,521
		Total monthly Income					\$246,080			
		Total yearly Income					\$2,952,956			
		Total Water Sold			36,316					
		Total customers			10400					

Note: Additional 170 customers to match existing count => approx. \$48,000 additional income if connected year round. 25 additional customers would add approx. \$7,000.

	Proposed Rate Schedule(approx. 8% increase)	
Water Rate	Min. (1500 gal.)@	\$14.00
	Next 6500 gals.@	\$5.30 per 1000
	Next 12000 gals.@	\$5.30 per 1000
	Next 5,000 gals.@	\$5.30 per 1000
	All Over 25,000 gals.@	\$5.30 per 1000
	Wholesale to Brownsville@	\$3.13 per 1000

## XII. ANALYSIS OF WATER USAGE/REVENUE: PROJECTED USERS - 12 MONTH PERIOD

For Period \_\_\_\_\_ Jan. 2018 \_\_\_\_\_ to \_\_\_\_\_ Dec. 2018 \_\_\_\_\_

Meter Size	Monthly Water Usage	Average	Average Rate	Residential		Non-Residential			
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 1,500 Gallons	750	\$14.00	4134	3100.5	\$57,876	0	0	\$0
	1,500 - 2,000 Gallons	1,750	\$15.33	1061	1856.75	\$16,260	5	8.75	\$77
	2,000 - 3,000 Gallons	2,500	\$19.30	1465	3662.5	\$28,275	7	17.5	\$135
	3,000 - 4,000 Gallons	3,500	\$24.60	1112	3892	\$27,355	14	49	\$344
	4,000 - 5,000 Gallons	4,500	\$29.90	835	3757.5	\$24,967	15	67.5	\$449
	5,000 - 6,000 Gallons	5,500	\$35.20	502	2761	\$17,670	2	11	\$70
	6,000 - 7,000 Gallons	6,500	\$40.50	390	2535	\$15,795	0	0	\$0
	7,000 - 8,000 Gallons	7,500	\$45.80	240	1800	\$10,992	0	0	\$0
	8,000 - 9,000 Gallons	8,500	\$51.10	162	1377	\$8,278	0	0	\$0
	9,000 - 10,000 Gallons	9,500	\$56.40	102	969	\$5,753	0	0	\$0
5/8	10,000 - 11,000 Gallons	10,500	\$61.70	83	871.5	\$5,121	1	10.5	\$62
x	11,000 - 12,000 Gallons	11,500	\$67.00	60	690	\$4,020	4	46	\$268
3/4	12,000 - 13,000 Gallons	12,500	\$72.30	42	525	\$3,037	1	12.5	\$72
Inch	13,000 - 14,000 Gallons	13,500	\$77.60	30	405	\$2,328	1	13.5	\$78
	14,000 - 15,000 Gallons	14,500	\$82.90	16	232	\$1,326	5	72.5	\$415
	15,000 - 16,000 Gallons	15,500	\$88.20	17	263.5	\$1,499	1	15.5	\$88
	16,000 - 17,000 Gallons	16,500	\$93.50	13	214.5	\$1,216	0	0	\$0
	17,000 - 18,000 Gallons	17,500	\$98.80	12	210	\$1,186	0	0	\$0
	18,000 - 19,000 Gallons	18,500	\$104.10	10	185	\$1,041	0	0	\$0
	19,000 - 20,000 Gallons	19,500	\$109.40	14	273	\$1,532	0	0	\$0
	20,000 - 25,000 Gallons	22,500	\$125.30	14	315	\$1,754	0	0	\$0
	25,000 - 30,000 Gallons	27,500	\$151.80	14	385	\$2,125	3	82.5	\$455
	30,000 - 40,000 Gallons	35,000	\$191.55	13	455	\$2,490	2	70	\$383
	40,000 - 50,000 Gallons	44,000	\$239.25	5	220	\$1,196	2	88	\$479
	50,000 - 75,000 Gallons	60,000	\$324.05	6	360	\$1,944	4	240	\$1,296
	75,000 - 1,000,000 Gallons	275,000	\$1,463.55	0	0	\$0	5	1375	\$7,318
	Sub-Total			10352	31,316	\$245,036	72	2179.8	\$11,988
	Average Monthly Rate		\$24.66						
	Average Monthly Usage				3.03			30.27	
4-inch	City of Brownsville	Gallons	2,908,170	\$9,102.57			1	2908.2	\$9,103
	Sub-Total			10352	31,316	\$245,036	73	5087.9	\$21,091
	Total monthly Income					\$266,127			
	Total yearly Income					\$3,193,519			
	Total Water Sold			36,404					
	Total customers			10425					

Note: Sept 2017 customer count (plus 25) & approx. 8% avg rate increase => approx. \$288,800 additional income over 2016 income which is a 9.9% increase in income due to rate and customer count increases. 8% rate increase => approx. \$233,000 of this increase in revenue.

	Proposed Rate Schedule(effective in 2014)	
Water Rate	Min. (1500 gal.)@	\$13.00
	Next 6500 gals.@	\$4.90 per 1000
	Next 12000 gals.@	\$4.90 per 1000
	Next 5,000 gals.@	\$4.90 per 1000
	All Over 25,000 gals.@	\$4.90 per 1000
	Wholesale to Brownsville@	\$2.90 per 1000

## XII. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - EXISTING USERS - 12 MONTH PERIOD

For Period \_\_\_\_\_ Jan. 2016 \_\_\_\_\_ to \_\_\_\_\_ Dec. 2016 \_\_\_\_\_

Meter Size	Monthly Water Usage	Average	Average Rate	Residential			Non-Residential		
				No. of Users	Usage (1000)	Income	No. of Users	Usage (1000)	Income
	0 - 1,500 Gallons	750	\$13.00	4134	3100.5	\$53,742	0	0	0
	1,500 - 2,000 Gallons	1,750	\$14.23	1061	1856.75	\$15,093	5	8.75	71
	2,000 - 3,000 Gallons	2,500	\$17.90	1445	3612.5	\$25,866	7	17.5	125
	3,000 - 4,000 Gallons	3,500	\$22.80	987	3454.5	\$22,504	14	49	319
	4,000 - 5,000 Gallons	4,500	\$27.70	785	3532.5	\$21,745	15	67.5	416
	5,000 - 6,000 Gallons	5,500	\$32.60	502	2761	\$16,365	2	11	65
	6,000 - 7,000 Gallons	6,500	\$37.50	390	2535	\$14,625	0	0	0
	7,000 - 8,000 Gallons	7,500	\$42.40	240	1800	\$10,176	0	0	0
	8,000 - 9,000 Gallons	8,500	\$47.30	162	1377	\$7,663	0	0	0
	9,000 - 10,000 Gallons	9,500	\$52.20	102	969	\$5,324	0	0	0
5/8	10,000 - 11,000 Gallons	10,500	\$57.10	83	871.5	\$4,739	1	10.5	57
x	11,000 - 12,000 Gallons	11,500	\$62.00	60	690	\$3,720	4	46	248
3/4	12,000 - 13,000 Gallons	12,500	\$66.90	42	525	\$2,810	1	12.5	67
Inch	13,000 - 14,000 Gallons	13,500	\$71.80	30	405	\$2,154	1	13.5	72
	14,000 - 15,000 Gallons	14,500	\$76.70	16	232	\$1,227	5	72.5	384
	15,000 - 16,000 Gallons	15,500	\$81.60	17	263.5	\$1,387	1	15.5	82
	16,000 - 17,000 Gallons	16,500	\$86.50	13	214.5	\$1,125	0	0	0
	17,000 - 18,000 Gallons	17,500	\$91.40	12	210	\$1,097	0	0	0
	18,000 - 19,000 Gallons	18,500	\$96.30	10	185	\$963	0	0	0
	19,000 - 20,000 Gallons	19,500	\$101.20	14	273	\$1,417	0	0	0
	20,000 - 25,000 Gallons	22,500	\$115.90	14	315	\$1,623	0	0	0
	25,000 - 30,000 Gallons	27,500	\$140.40	14	385	\$1,966	3	82.5	421
	30,000 - 40,000 Gallons	35,000	\$177.15	13	455	\$2,303	2	70	354
	40,000 - 50,000 Gallons	44,000	\$221.25	5	220	\$1,106	2	88	443
	50,000 - 75,000 Gallons	60,000	\$299.65	6	360	\$1,798	4	240	1,199
	75,000 - 1,000,000 Gallons	275,000	\$1,353.15	0	0	\$0	5	1375	6,766
	Sub-Total			10157	30,603	\$222,535	72	2179.75	11,088
	Average Monthly Rate		\$22.84						
	Average Monthly Usage				3.01			30.27	
4-inch	City of Brownsville	Gallons	2,908,170	\$8,433.69			1	2908.17	8,434
	Sub-Total			10157	30,603	\$222,535	73	5087.92	19,521
	Total monthly Income					\$242,057			
	Total yearly Income					\$2,904,680			
	Total Water Sold			35,691					
	Total customers			10230					

Note: Revenue matches very closely with 2016 Audit.