

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PROPOSED ADJUSTMENT OF THE)	CASE NO.
WHOLESALE WATER SERVICE RATES OF)	2019-00444
PRINCETON WATER AND WASTEWATER)	

CALDWELL COUNTY WATER DISTRICT AND LYON COUNTY WATER DISTRICT'S
RESPONSES TO PRINCETON WATER AND WASTEWATER'S FIRST REQUEST FOR
INFORMATION ISSUED ON APRIL 5, 2020

Filed: April 24, 2020

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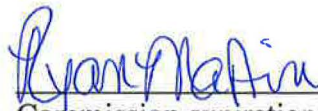
VERIFICATION OF DIXIE CAYCE

COMMONWEALTH OF KENTUCKY)
 COUNTY OF Lyon)

Dixie Cayce, Superintendent of Lyon County Water District, states that he has supervised the preparation of certain responses to Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.


 Dixie Cayce

The foregoing Verification was signed, acknowledged and sworn to before me this 17th day of April, 2020, by Dixie Cayce.

 #62139
 Commission expiration: 11/9/22

**Caldwell County Water District and Lyon County Water District
Case No. 2019-00444
Princeton's First Request for Information issued April 5, 2020**

1. Provide all workpapers, assumptions, and analyses to support Mr. Vilines opinion that PWWC's total wholesale revenue requirement should be approximately \$569,900 and PWWC's wholesale rate should be \$2.59 per 100 cubic feet.

Response:

See the response to Commission Staff's First Data Request Item Nos. 2 and 3.

**Caldwell County Water District and Lyon County Water District
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2. Please state whether Mr. Vilines is providing his testimony in his professional relationship with Kentucky Rural Water Association.

Response:

Yes, Mr. Vilines is providing his testimony in his professional relationship with Kentucky Rural Water Association.

**Caldwell County Water District and Lyon County Water District
Case No. 2019-00444
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3. Provide a list of Public Service Commission rate cases in which Mr. Vilines has provided testimony.

Response:

Case No. 89-110 Warren County Water District
Case No. 97-434 Warren County Water District
Case No. 2002-00042 Warren County Water District
Case No. 2011-00220 Warren County Water District
Case No. 2018-00017 Martin County Water District
Case No. 2019-00131 Southern Water & Sewer District

**Caldwell County Water District and Lyon County Water District
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4. Please refer to Mr. Vilines testimony at page 3, lines 1-2. List all Public Service Commission rate cases (not including Purchased Water Adjustments) for which Mr. Vilines has prepared a rate study, which resulted in an application for a rate increase filed with the Commission.

Response:

Case No. 2015-00065 Webster County Water District
Case No. 2015-00278 South 641 Water District
Case No. 2015-00308 Harrison County Water Association
Case No. 2015-00331 McKinney Water District
Case No. 2016-00054 Caldwell County Water District
Case No. 2016-00325 North Mercer Water District
Case No. 2016-00435 Nebo Water District
Case No. 2017-00323 Jonathan Creek Water District
Case No. 2017-00371 Symsonia Water & Sewer District
Case No. 2018-00017 Martin County Water District
Case No. 2018-00117 Ledbetter Water District
Case No. 2018-00118 North Hopkins Water District
Case No. 2018-00346 Muhlenberg County Water District #3
Case No. 2018-00376 Cannonsburg Water District
Case No. 2018-00414 Crittenden-Livingston County Water District
Case No. 2018-00387 South Hopkins Water District
Case No. 2019-00044 Meade County Water District
Case No. 2019-00052 North Manchester Water District
Case No. 2019-00131 Southern Water & Sewer District
Case No. 2019-00268 Knott County Water & Sewer District
Case No. 2020-00020 Knox County Utility Commission
Case No. 2020-00021 Farmdale Water District

**Caldwell County Water District and Lyon County Water District
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5. Please refer to Mr. Vilines testimony at page 3, lines 21-23. Please identify each and every "use" factor that Mr. Vilines utilized in his analysis to propose PWWC's wholesale revenue requirement, explain how each "use" factor was calculated, and identify where in the workpapers these calculations are presented.

Response:

There are three use factors: the Water Production Factor, the Pipeline Transmission Factor, and the Storage Use Factor.

The use factors are calculated in the spreadsheet titled "Cald_Lyon Wholesale.xlsx" and attached to the response to Commission Staff's First Data Requests Item No. 2 on the sheet titled "Fac". The formula which also provides an explanation for each factor is shown on that sheet.

**Caldwell County Water District and Lyon County Water District
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6. Please refer to Mr. Vilines testimony at page 5, lines 16-20. Please state the effect (in dollars) on the impact of PWWC's revenue requirement, according to Mr. Vilines, based on his opinion that employee and family health insurance premiums "should have been adjusted consistent with the Bureau of Labor Statistics' national average for an employee's share of health insurance premiums."

Response:

The PWWC overall revenue requirement is reduced by approximately \$51,955 when adjusted to be consistent with the Bureau of Labor Statistics' national average for an employee's share of health insurance premiums.

**Caldwell County Water District and Lyon County Water District
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7. Please refer to Mr. Vilines testimony at page 5, lines 22-23. Please state the effect (in dollars) of the on the impact of PWWC's revenue requirement, according to Mr. Vilines, based on his opinion that retirement liability expenses "should not be included as part of the revenue requirement."

Response:

The PWWC overall revenue requirement is reduced by approximately \$91,110 when retirement liability expenses are eliminated.

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8. Please refer to Mr. Vilines testimony beginning at page 5, lines 24, stating: "The allocation of expenses to the water and sewer divisions from the Administration and Maintenance groups should have been made using more rational and detailed methods." Explain what methods Mr. Vilines believes should have been used to allocate these expenses.

Response:

For the maintenance group the type of work performed by each employee should be recorded on time sheets or work orders for specific tasks. Then expenses could be accumulated and tracked for each division and categories of work within each division. If this information is not available, the allocation between divisions may be made by applying the percentage of customers served by each division. For administrative work it is also acceptable to allocate expenses to water and sewer divisions by using the percentage of total customers served by each division.

**Caldwell County Water District and Lyon County Water District
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9. Please refer to Mr. Vilines testimony at page 6, lines 2-6. Please state whether Mr. Vilines separated PWWC's operation and maintenance, depreciation, and debt service expenses into water production, transmission and distribution, administration, and customer accounts categories. If yes, please provide a detailed narrative description of how Mr. Vilines determined what expenses would be separated in to each category, and please identify the specific workpapers in which this is performed.

Response:

PWWC's operation and maintenance, depreciation, and debt service expenses were separated into water production, transmission and distribution, administration, and customer accounts categories. A description of how the expenses were allocated to each category is included in the spreadsheet titled "Cald_Lyon Wholesale.xlsx" and attached to Commission Staff's First Data Request Item No. 2.

**Caldwell County Water District and Lyon County Water District
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10. Please refer to Mr. Vilines testimony at page 6, lines 6-9. In Mr. Vilines's opinion, what activities of the Administration and Maintenance groups are related solely to retail customers and facilities serving retail customers.

Response:

Expenses allocated to Customer Accounts are generally related solely to retail customers and facilities serving retail customers.

**Caldwell County Water District and Lyon County Water District
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11. State how Mr. Vilines would recommend allocating maintenance salary expense between PWWC's water and sewer divisions.

Response:

See the response to Item No. 8 above.

**Caldwell County Water District and Lyon County Water District
Case No. 2019-00444
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12. Please refer to Mr. Vilines testimony at page 6, lines 15-17. Identify each and every PWWC expense (by description and dollar amount) that PWWC included in its determination of the revenue requirement and that Mr. Vilines believes should not be included in PWWC's wholesale revenue requirement.

Response:

See the responses to Item Nos. 6 and 7 above.

Witnesses: Dixie Cayce and Jimmy Littlefield

**Caldwell County Water District and Lyon County Water District
Case No. 2019-00444
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13. Please provide a copy of the most recent testing report for each meter Caldwell County Water District and Lyon County Water District uses to receive service from PWWC.

Response:

Please see attached.

I.T.M. Inc.

Inspection, Testing, & Maintenance Inc.
578 Crowe Ln.
Fordsville, Ky. 42343
Office: (270) 903-1586 Mobile: (270)-903-1230

Member K.R.W.A.
Public Service Comm.
License # W1111

itminc67599@bellsouth.net

FIRE HYDRANTS-WATER METERS- BACKFLOW PREVENTION

Water Meter Test Results

Tested for: Lyon Co. Water District Test Date: 9-12-19

Location: Lane Dr. Bench or Field: Field

Size: 2" Manufacturer: Badger Type: Displacement #:

	Single register Reading	Low Side Reading	High Side Reading
Beginning Reading	75830.3		
End Reading	75857.1		

# of Gallons @ G.P.M.	Accuracy in percent
100 Gal @ 2 GPM	99.4
100 Gal @ 20 GPM	100.9

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FIRE HYDRANTS-WATER METERS- BACKFLOW PREVENTION

Water Meter Test Results

Tested for: Lyon Co. Water District Test Date: 9-12-19

Location: Indian Hills Bench or Field: Field

Size: 4" Manufacturer: Badger Type: Turbine #: 50003441

	Single register Reading	Low Side Reading	High Side Reading
Beginning Reading	0835048.2		
End Reading	0835193.9		

# of Gallons @ G.P.M.	Accuracy in percent
100 Gal @ 15 GPM	97.6
1000 Gal @ 400 GPM	99.8

Lyon County Water District
Master Meters

	Location	Size	Test Date	Comments
1	Blackhawk (93S)	4"	2019 new	
2	Cherokee	2"		PWWD c/o
3	Saratoga	2"		PWWD c/o
4	Doom Chapel	2"		TBT 2020
5	Dulaney	2"	9/12/2019	
6	Elkhorn Tavern	4"		TBT 2020
7	Hwy 295	2"	9/20/2019	
8	Hwy 62 E	2"	9/12/2019	
9	Indian Hills	4"	9/12/2019	
10	Ladd Rd	2"	2018 new	
11	Lane Dr	2"	9/12/2019	
12	Liberty Rd	2"		TBT 2020
13	Prison Farm	2"	9/20/2019	
14	St Rt 6017	2"	9/20/2019	
15	St Rt 93@ 293	2"	2017 new	
16	The Spring	2"		TBT 2020
17	Tinsley Creek	1"	9/26/2019	
18	Kuttawa	4"		TBT 2020
19	Hwy. 778	4"	9/26/2019	
20	Hwy 373	4"		Emergency Connection / Eddyville
21	1943 @ 641	2"		Emergency Connection / Fredonia

Adam Ortt @ PWWD about c/o meters
270-625-8960

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FIRE HYDRANTS-WATER METERS- BACKFLOW PREVENTION

Water Meter Test Results

Tested for: Caldwell Co. Water District Test Date: 6-11-19

Location: Hayes Springs Bench or Field: Field

Size: 4" Manufacturer: Badger Type: Compound #: 00000

	Single register Reading	Low Side Reading	High Side Reading
Beginning Reading		257731.9	12021.3
End Reading		257883.9	13006.6

# of Gallons @ G.P.M.	Accuracy in percent
10 Gal. @ .5 GPM	101.5
10 Gal. @ 8 GPM	100.2
100 Gal. @ 25 GPM	101.3
500 Gal. @ 75 GPM	101.1
500 Gal. @ 150 GPM	101.9

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FIRE HYDRANTS-WATER METERS- BACKFLOW PREVENTION

Water Meter Test Results

Tested for: Caldwell Co. Water District Test Date: 6-11-19

Location: Cadiz Rd. Bench or Field: Field

Size: 6" Manufacturer: Badger Type: Turbine #: 47119543

	Single register Reading	Low Side Reading	High Side Reading
Beginning Reading	94878759		
End Reading	94880735		

# of Gallons @ G.P.M.	Accuracy in percent
1000 Gal. @ 50 GPM	99.3
1000 Gal. @ 100 GPM	98.8

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FIRE HYDRANTS-WATER METERS- BACKFLOW PREVENTION

Water Meter Test Results

Tested for: Caldwell Co. Water District Test Date: 6-11-19

Location: Jo Jones Rd. Bench or Field: Field

Size: 3" Manufacturer: Badger Type: Turbine #: 47163374

	Single register Reading	Low Side Reading	High Side Reading
Beginning Reading	25653389		
End Reading	25654528		

# of Gallons @ G.P.M.	Accuracy in percent
100 Gal. @ 8 GPM	104.2
600 Gal. @ 275 GPM	103.4

Caldwell County Water District
118 West Market Street
Princeton, KY 42445
(270) 365-9381
Fax (270) 365-9591
www.caldwellcountywaterdistrict.com

Water Master Meter Test Results

Tested by: Daniel Goodaker **Test Date:** 12/28/18 11:00 AM
Location: Grooms Ln / Master Meter # 4 **Bench or Field:** _____
Size: 2" **Manufacturer:** Badger E-Series **Type:** _____ **#:** _____

	Single Register Reading	Low Side Reading	High Side Reading
Beginning Reading			
End Reading			

# of Gallons @ GPM	Accuracy
Gallons @ 10 GPM	101%
Gallons @ 15 GPM	100 %
Gallons @ 100 GPM	99.5%

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FIRE HYDRANTS-WATER METERS- BACKFLOW PREVENTION

Water Meter Test Results

Tested for: Caldwell Co. Water District Test Date: 6-11-19

Location: 91 North Bench or Field: Field

Size: 6" Manufacturer: Badger Type: Compound #: 0000

	Single register Reading	Low Side Reading	High Side Reading
Beginning Reading		2694829.0	3350096
End Reading		2695301.5	3351888

# of Gallons @ G.P.M.	Accuracy in percent
100 Gal. @ 1.5 GPM	101.9
100 Gal. @ 12 GPM	100
100 Gal. @ 50 GPM	99.2
1000 Gal. @ 250 GPM	99.2
1000 Gal. @ 320 GPM	99.2

Witnesses: Dixie Cayce and Jimmy Littlefield

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FIRE HYDRANTS-WATER METERS- BACKFLOW PREVENTION

Water Meter Test Results

Tested for: Caldwell Co. Water District Test Date: 5-17-18

Location: 239 N. Bench or Field: Field

Size: 2" Manufacturer: Badger Type: Displacement #: 47116879

	Single register Reading	Low Side Reading	High Side Reading
Beginning Reading	16155991.5		
End Reading	16156240.0		

# of Gallons @ G.P.M.	Accuracy in percent
50 Gal @ 2 GPM	98.8
100 Gal @ 15 GPM	100.9
100 Gal @ 100 GPM	98.9