

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

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
ALLEN COUNTY WATER DISTRICT	)	2020-00296

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RESPONSE OF ALLEN COUNTY WATER DISTRICT  
TO THE COMMISSION STAFF'S INITIAL REQUEST FOR  
INFORMATION DATED OCTOBER 14, 2020

Filed: October 28, 2020





**Allen County Water District  
Case No. 2020-00296  
Commission Staff's Initial Request for Information issued October 14, 2020**

1. Provide copies of each of the following. When appropriate, provide in Excel spreadsheet format with all formulas intact and unprotected and all rows and columns fully accessible.

a. Trial balance for the calendar years 2018, 2019, and 2020 to date.

**Response:** For years 2018 and 2019, see Item 2. For YTD 2020 see Attachment 1\_a 2020 Trial Balance

b. Schedule of notes and bonds payable on December 31, 2018; December 31, 2019; and the current period.

**Response:** See below.

<b><u>NOTES AND BONDS PAYABLE</u></b>			
	<b>Balance Payable</b>		
	<b><u>12/31/2018</u></b>	<b><u>12/31/2019</u></b>	<b><u>9/30/2020</u></b>
RD Loan 91-12	1,407,000	1,381,000	1,353,500
RD Loan 91-14	749,000	736,000	722,500
KRWFC Series 2012 D	2,415,000	2,315,000	2,210,000
KRWFC Series 2013 C	100,000	75,000	50,000
KIA Loan 2020	-	-	2,450,000

c. All debt agreements and bond ordinances and amortization schedules, including related party debt.

**Response:** All of these items were provided in the District's ARF application.

d. Insurance policies for 2018 and 2019 and the current period, if available.

**Response:** See Attachments 1\_d Employee Insurance Policies, 1\_d Office Insurance Policy 2018, 1\_d Office Insurance Policy 2019, and 1\_d Office Insurance Policy 2020.

e. Hours worked by each employee for the calendar year 2019.

**Response:** See Attachment 1\_e Hours worked 2019.

f. A document listing the names, job titles, job description, and pay rates for each employee on December 31, 2017; December 31, 2018; December 31, 2019; and for those currently employed.

**Response:** See Attachments 1\_f Employee Info 2017, 1\_f Employee Info 2018, 1\_f Employee Info 2019, and 1\_f Employee Info 2020.

g. List and describe all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

**Response:** See Attachment 1\_g Employee Benefits.

h. Minutes from Allen District Commissioner meetings for the calendar years 2018, 2019, and the current period.

**Response:** See Attachments 1\_h Minutes 2018, 1\_h Minutes 2019, 1\_h Minutes 2020.

i. A document listing the name of all Commissioners for each of the five previous years, and state, individually, the total amount of each benefit paid to, or on the behalf of, each Commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.).

**Response:** See Attachment 1\_i Commissioners Info.

- j. Fiscal Court minutes approving each Commissioner's compensation.

**Response:** See Attachment 1\_j Fiscal Court Mins.

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2. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year ended 2019 in Excel spreadsheet format with all formulas intact and unprotected and all rows and columns fully accessible.

**Response:** See Attachment 2\_2018\_2019 Working Adjusted Trial Balance.

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3. Refer to Allen District's application, Attachment 1, Customer Notice. Allen District proposes to raise its monthly water service rates by an across-the-board percentage amount.

a. Provide an explanation of how the across-the-board percentage increase method to increase monthly water service rates was chosen.

**Response:** There have been no significant changes in the distribution of Allen District's customer usage in many years. Therefore, the District considers an across-the-board increase to be the most equitable means of passing on increased costs to its customers. Applying a uniform percentage increase to all customer classes lessens the likelihood that the public will perceive that any customer class is being unfairly favored or disfavored.

b. Provide a list of alternative methods Allen District considered and an explanation as to why each alternative was not chosen to increase its monthly water service rates.

**Response:** No alternative methods were considered.



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4. Refer to Allen District's application, Attachment 6, Billing Analysis.

a. Provide the source of the 2019 usage data presented in the Billing Analysis, and state whether any adjustments were made to the data.

**Response:** See Attachment 4\_a Billing Analysis Data. No adjustments to the billing data were made.

b. Provide a list of any adjustments made to the data and include an explanation of each adjustment.

**Response:** No adjustments to the billing data were made.

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5. A review of records on file with the Commission shows that Allen District has never filed a cost of service study (COSS) in a rate case.

a. Explain whether Allen District considered filing a rate application with a COSS prepared.

**Response:** The District did not consider filing a rate application with a COSS for the reasons cited in the Response to Item 3.a.

b. If Allen District has never had a COSS performed to set the rates of its system, explain how the rates can be considered cost-based rates.

**Response:** The District assumes that a COSS was performed in the past in conjunction with a large construction project, but many older records are not available. However, based on a lack of significant changes in the distribution of customer usage, the rates can still be considered cost based.