

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
MORGAN COUNTY WATER DISTRICT)	2020-00386

RESPONSE OF MORGAN COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S INITIAL REQUEST FOR
INFORMATION DATED JANUARY 21, 2021

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

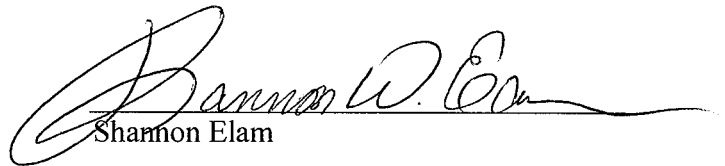
In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
MORGAN COUNTY WATER DISTRICT)	2020-00386

VERIFICATION OF SHANNON ELAM

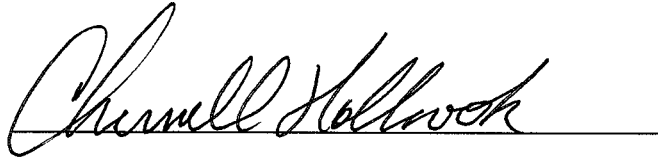
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF MORGAN)

Shannon Elam, General Manager of Morgan County Water District, states that he has supervised the preparation of certain responses to the 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.



Shannon Elam

The foregoing Verification was signed, acknowledged and sworn to before me this 1st day of February, 2021, by Shannon Elam.



Commission expiration: 2-24-22

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

- a. The general ledger and trial balance for the calendar years 2019 and 2020 to date.

Response: See Attachments: Item 1a - General Ledger 2019.xlsx
Item 1a - General Ledger 2020.xlsx
Item 1a - MCWD Adjusted TB 2019.xlsm
Item 1a - MCWD Audited TB 2019.xlsm
Item 1a - Unadjusted Unaudited 2020 TB.xlsx

- b. The trial balance for the calendar years 2019 and 2020 to date.

Response: See Above.

- c. General Liability Insurance policies for 2019 and the current period, if available.

Response: See Attachment: Item 1c - Gen Liab Ins 2019 2020.pdf

d. Hours worked by each employee, separated by regular hours worked, overtime hours worked, and any other form of hourly wage for the calendar year 2019.

Response: See Attachment: Item 1d – Empl Hours Worked.pdf

e. A document detailing 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 Attachment: Item 1e – MCWD Staff 2017 to 2020.xlsx
Item 1e – MCWD Job Descriptions

f. A description of 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: Item 1f – Employee Benefits.pdf

g. Minutes from Morgan District commissioner meetings for the calendar years 2019 and the current period.

Response: See Attachments: Item 1g – 2019 Board Minutes.pdf
Item 1g – 2020 Board Minutes.pdf

h. 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: Item 1h – MCWD Board Members.xlsx

i. Fiscal Court minutes approving each commissioner's compensation.

Response: The District's commissioners receive no compensation.

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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 the response to Item 1a.

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3. Refer to the Application, Attachment 5. Provide the workpapers for the pro forma adjustments described in the References page of the Attachment in Excel spreadsheet format, with all formulas intact and unprotected and all rows and columns fully accessible.

Response: See Attachment: Item 3 – SAO Adjmts.xlsx

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4. Refer to Morgan District's application, Attachment 3, Current and Proposed Rates. Morgan 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: Since there have been no material changes in its system since the last cost of service study, 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 Morgan 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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5. State when the last time Morgan District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

Response: After searching available records, it appears that the last COSS was performed by the PSC Staff in Case No. 2000-086.

a. Explain whether any material changes to Morgan District's system would cause a new COSS to be prepared since the last time it has completed one.

Response: Even though there has been growth in the District's number of customers, the usage and other characteristics of the new customers are very similar to the customer base at the time of the COSS. Therefore, there have been no material changes that would cause a new COSS to be prepared.

b. If there has been no material changes to the Morgan District's system, explain when Morgan District anticipates completing a new COSS.

Response: There have been no material changes that would cause a new COSS to be prepared. A COSS would be appropriate if material changes were to occur.

c. Provide in Excel spreadsheet format a copy of the most recent COSS that has been performed for Morgan District's system.

Response: Some details of the COSS from Case No. 2000-086 are discussed in the Staff Report, but neither the spreadsheet nor other tabulated calculations are presented.

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6. Complete the table below by providing the total miles of water main of each size in Morgan District's system as a whole and the miles of main of each size in Morgan District's system that are used to serve the city of Campton and the city of Frenchburg:

Response:

Water Main Size	Miles of Main (Total System)	Miles of Main (Used to Serve Wholesale Customers)*
16"		
14"		
12"		
10"		
8"	26.3	
6"	166.8	25.0
4"	127.2	
3"	34.4	
2"	5.7	

* Total miles to serve both Campton and Magoffin County WD.
MCWD no longer sells water to city of Frenchburg.

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7. Complete the table below:

Response:

Morgan County Water District	Gallons for 12 Month Period Ending December 31, 2019
Plant Use - System Flushing	44,047,415
Line Loss (Unaccounted for)	106,771,707
Sales to Retail	113,389,360
Sales to the City of Campton	-
Sales to the City of Frenchburg *	-
Sales to Other Wholesale Customers *	-
Total Produced and Purchased	264,208,482
Total Sold	113,389,360

* MCWD no longer sells water to city of Frenchburg, but can sell to Magoffin County Water District.