

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

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
SOUTH EASTERN WATER ASSOCIATION, INC.	)	2021-00126

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RESPONSE OF SOUTH EASTERN WATER ASSOCIATION, INC.  
TO THE COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION DATED MAY 3, 2021



**In the Matter of:**

# 603266

**South Eastern Water Association, Inc.**  
**Case No. 2021-00126**  
**Commission Staff's Second Request for Information**

**Witnesses**

Morris Vaughn: Items 1 - 4, and 6 - 9

Alan Vilines: Item 5

1. Refer to Southern Eastern Water's response to Commission Staff's First Request for Information (Staff's First Request), Item 1.e., provide the hours worked by each employee for the 2019 test year.

**Response:** See file: Item 1 – Hours Worked

2. Refer to the response to Staff's First Request, Item 1.h. The February 2020 board minutes reflect the authorization of the hiring of one employee to be dedicated to leak detection. Provide the name of the employee hired to fill this position.

**Response:** In the February 2020 board meeting the hiring of one new employee for leak detection was authorized. After hiring the new employee (Lester Moore), management decided to dedicate an older, more experienced employee for this task until Mr. Moore has time to get more familiar and has more training for this position. At the present time, Chad Keith is heading our leak detection program.

3. Provide a breakdown for the number of board meetings each commissioner attended during the test year.

**Response:** See file: Item 3 – Board Mtgs Attended

4. a. Provide a monthly breakdown, in both gallons and dollar amount, of water purchased during the test year.

**Response:** See file: Item 4a – Water Purchased

b. Provide a breakdown between any vendors from whom South Eastern Water purchases water.

**Response:** SEWA purchases all its water from Somerset Utilities. A wholesale contract from this vendor is on file with the PSC.

5. Refer to the Application, Attachment 5, Schedule of Adjusted Operations.

a. Provide a detailed breakdown of the revenues in the category Miscellaneous Service Revenues.

**Response:** Miscellaneous Service Revenue includes \$23,406 from Acct. No. 4106 – Service Charges (connect fees for turning on meters, read-outs/read-ins, etc.) and \$11,730 from Acct. No. 4108 – Reconnect Fees (reconnect fee is charged when a meter has been turned off for non-payment).

b. Provide a detailed breakdown of the revenues in the category Other Water Revenues.

**Response:** Other Water Revenues includes \$3,910 from Acct. No. 4104 – Membership Fees (\$10 charge to each new member of the Association) and \$6,352 from Acct. No. 4110 – Customer Returns (collections of bad debt).

c. Provide a detailed description of the revenues included in adjustment N.

**Response:** Misc. Income is \$28,202 from Acct. No. 9600. There were three items included for the test year: \$135 – to post sales per client, \$2,116 – insurance recovery, and \$25,951 – audit adjustment per Randy Turpin (auditor).

6. Refer to the response to Staff's First Request, Item 8.f. The March Water Loss Report states a greater amount of gallons for water sales, use, and loss than gallons purchased. The April Water Loss Report states a less amount of gallons for water sales, use and loss than gallons purchased. Provide corrected reports for these months and a detailed explanation for the discrepancies.

**Response:** South Eastern purchases all its water from the City of Somerset. On the March water loss report, an inadvertent entry was made on Line 18 (wastewater plant). South Eastern is not affiliated with any wastewater plant or collection system. An adjusted report for the month of March 2019 with the appropriate entry on Line 18 is attached.

The revised April 2019 monthly water loss report is also attached. On the report, Line 14, Line 22, and Line 26 is subtracted from Line 4 to compute Line Leaks, Line 27. In the original April 2019 report there was a subtraction discrepancy and Item 27 has now been revised.

See file: Item 6 – Water Loss Reports

7. Provide the number of occurrences for which late fees were assessed during the test year.

**Response:** There were 16,848 late fees assessed in 2019.

8. Provide the total amount collected for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was assessed during the test year.

**Response:** See file: Item 8 – Nonrecurring Charges

9. Provide the cost justification for all nonrecurring charges listed in South Eastern Water's tariff.

**Response:** South Eastern's nonrecurring charges: membership, service charge, and reconnect charge were submitted to the PSC for approval in 1996 and 1997. No cost justification can now be found for these charges.