

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

RESPONSE OF SOUTH EASTERN WATER ASSOCIATION, INC.
TO THE COMMISSION STAFF'S THIRD REQUEST FOR
INFORMATION DATED JULY 9, 2021

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

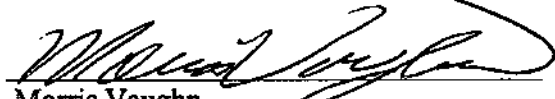
In the Matter of:

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

VERIFICATION OF MORRIS VAUGHN

COMMONWEALTH OF KENTUCKY)
COUNTY OF <u> PULASKI </u>)

Morris Vaughn, Manager of South Eastern Water Association, Inc., 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.


Morris Vaughn

The foregoing Verification was signed, acknowledged and sworn to before me this 27 day of July, 2021, by Morris Vaughn.

Sheina R. Engle KYNP29805

Commission expiration: 5-17-25

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

Witness:

Morris Vaughn

1. Provide the written policy that outlines the criteria South Eastern Water relies upon to determine how many hours and at what pay rate South Eastern Water uses to pay out accrued personal time accumulated by employees.

Response: Written policies for Vacation, and Personal Days/Medical Leave, and Holidays are included on pages 2 and 3 of the attached Employee Handbook. Unused Personal Days may be carried over as detailed in the Handbook but are not paid out. Although the Handbook does not address it, pay out of unused vacation time is a practice established many years ago with consent and knowledge of the Board of Directors. The Handbook states that pay for vacation time is based on "regular hours".

2. Refer to the file provided in South Eastern Water's response to Commission Staff's First Request for Information, Item 1. Define and provide the written policy for accrual of the categories of "Off personal," "Off vacation," "Off holiday," and "Off overtime."

Response: The terms listed above refer to hours charged to "Office" work and distinguish those hours from time attributed to operations. The policies for these types of compensation are the same under either category of work and are included in the attached Employee Handbook.

3. a. State whether the employee must provide written request to receive a payout of paid time off.

Response: Employees are not required to provide a written request to receive a payout of paid time off. Employees may make a verbal request to management.

b. If the response to Item 3a can be confirmed, provide each written request made by South Eastern Water employees for the test period.

Response: Not applicable

4. Provide the written policy South Eastern Water uses to determine what qualifies as overtime instead of normal hours worked by employees.

Response: See page 1 of the Employee Handbook under "Compensation".

5. Refer to the nonrecurring charge cost justification forms provided with South Eastern Water's response to the Commission Staff Report.

a. Provide an explanation how the estimated \$16.80 transportation expense was determined.

Response: The transportation cost was based on 30 miles round trip at \$0.56 per mile, the IRS mileage rate for 2021.

b. Provide the average mileage used in the calculations and how that average amount was determined when calculating the transportation expense.

Response: Average of 30 miles was determined by the Manger's approximate estimate of the halfway point in the system (15 miles) and the return trip back to the office (15 miles).

c. Provide the rate per mile that was applied to the average mileage and the basis for the rate per mile used when calculating the transportation expense.

Response: The mileage rate was based on the IRS established rate for 2021. <https://www.ifebp.org/news/regulatoryupdates/Pages/2021-irs-mileage-rates.aspx>

d. Confirm the amount used for clerical and office expense is based on one half hour of work by an administrative staff person.

Response: Clerical expense was based on one-half an hour of work by an administrative staff person.