

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00244 DATED JUN 21 2021

1. Provide in written verified form the direct testimony of each witness that Jackson intends to rely on in this matter.

✓2. Provide the independent auditor's reports for Jackson for the fiscal years ending in 2018, 2019, and 2020.

3. Confirm the fiscal year ending June 30, 2020 (Fiscal Year 2020) is the 12-month test year upon which Jackson bases its proposed rate adjustment and explain why this test year was chosen.

✓4. Provide Jackson's general ledgers for the Fiscal Year 2020 test year. The general ledger shall include all check registers and spreadsheets used to record and track financial transactions. If available, provide a copy of the requested general ledgers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

✓5. Provide an adjusted trial balance and audit adjustments for the Fiscal Year 2020 test year. The trial balance shall be traced and referenced directly to the general ledger requested in Item 4.

6. For each outstanding revenue bond issuance related to Jackson's operations, provide:

a. The bond ordinance or resolution authorizing its issuance;

✓b. An amortization schedule;

c. A detailed explanation of why the debt was incurred; and

d. A calculation of the annual debt service payment, including all required payments to debt service reserve accounts or funds, for each of the next three years.

✓7. List all persons on Jackson's payroll during Fiscal Year 2020. For each employee, state their job duties, total wages paid during the fiscal year, current salary or wage rate, and the percentage of work hours spent performing duties for each city division (e.g., water, sewer, police department, public works) during the fiscal year. If Jackson's records do not permit the allocation of an employee's work hours among city divisions, provide an estimate for each employee and explain how Jackson derived the estimate.

8. For each employee listed in Item 7 above, describe how Jackson allocated their payroll and payroll overhead charges to each city division for the proposed test year. This response shall include a detailed explanation of all allocation procedures. Payroll overhead charges include payroll taxes, health insurance premiums, pension costs, and any other employee benefit costs.

✓9. Using a table format, provide the following actual full-year salary information for each employee listed in Item 7 above, identified by employee number and job title, for the fiscal years 2016-2020 (in gross dollars—not hourly or monthly rates). The employee salary information for each year shall be provided in a separate table. Provide the requested tables in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

- a. Regular salary or pay.
- b. Overtime pay.
- c. Vacation payout.

- d. Standby/Dispatch pay.
- e. Bonus pay.
- f. Other amounts paid and reported on the employees' W-2 (specify).

✓10. Using a table format, provide the regular hours and overtime hours for each employee listed in Item 7 above, for the fiscal years 2016-2020. The employee time information for each year shall be provided in a separate table. Provide the requested table(s) in an Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

11. Using a table format, provide the following actual full-year benefit information for each employee listed in Item 7 above, identified by employee number and job title, for the fiscal years 2016-2020. The employee's benefit information for each year shall be provided in a separate table. Provide the requested tables in an Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

- a. Health care benefit cost for each employee.
 - (1) Amount paid by Jackson.
 - (2) Amount paid by each employee.
- b. Dental benefits cost for each employee.
 - (1) Amount paid by Jackson.
 - (2) Amount paid by each employee.
- c. Vision benefits cost for each employee.
 - (1) Amount paid by Jackson.
 - (2) Amount paid by each employee.
- d. Life insurance cost for each employee.

- (1) Amount paid by Jackson.
- (2) Amount paid by each employee.
- e. Accidental death and disability benefits for each employee.
 - (1) Amount paid by Jackson.
 - (2) Amount paid by each employee.
- f. Defined Contribution - 401 (k) or similar plan cost for each employee.

Provide the amount paid by Jackson.

- g. Defined Benefit Retirement cost for each employee.
 - (1) Amount paid by Jackson.
 - (2) Amount paid by each employee.
- h. Cost of any other benefit available to an employee (specify).

12. Provide a listing of all health care plan categories available to Jackson's employees, i.e., single, married no dependents, single parent with dependents, family, etc. For each employee listed in Item 7 above, identify the type of health insurance coverage the employees are provided.

13. a. List all joint or shared costs that Jackson incurred during the Fiscal Year 2020. For each cost, list the vendor, total expense amount, amounts allocated per division, and the basis for allocation.

b. Describe the procedures to allocate joint and shared costs among divisions for Fiscal Year 2020.

14. Provide all internal memorandums, policy statements, correspondence, and documents related to the allocation of joint and shared costs.

15. Provide depreciation schedules for the water division. A separate schedule shall be provided for each division.

16. Provide the "Enterprise Funds Uniform Financial Information Report" that Jackson submitted to the Kentucky Department of Local Government for the fiscal years ending in 2018, 2019, and 2020.

17. a. Identify all persons or entities to which Jackson provides wholesale water service. *Breathitt County Water District*

b. For each customer listed above, provide for each of the previous 24 months its monthly water usage and the amount that Jackson charged it for service.

18. a. Complete the table below*:

		Miles of Line Used to
Water	Total Miles	to Serve Wholesale
Main Size	of Line	Customers
16"		
14"		
12"		
10"		
8"		
6"		
4"		
2"		

*If larger sized mains are used to serve the wholesale customers, include these sized mains in the table being submitted in response to this question.

b. Explain who pays for the water main(s) that Jackson uses to deliver water to Jackson's wholesale customer(s).

19. Provide the maximum capacity of each Jackson water treatment plant.

a. For each of the customers listed in response to Item 17.a, state:

(1) The amount of Jackson's total water treatment plant capacity currently reserved for that customer; and *2 million*

(2) The minimum and maximum quantity of water (in gallons) that the customer may purchase in a month under the terms of its present water purchase contract with Jackson. *0-2,000 gallons is the minimum (no maximum)*

b. Describe the changes, if any, that Jackson expects within the next three years in the level of water treatment capacity reserved for each of the customers listed in Item 17.a., and state the reason(s) for Jackson's expectations.

c. Identify the owner of the master meter(s) through which Jackson provides water to the customers listed in Item 17.a. Include the numbers of master meters that Jackson provides wholesale water service to each of the wholesale customers, and identify the party responsible (Jackson or wholesale customer) for maintaining these master meters. *6 total master meters. Customer responsible*

20. Provide a system map showing all of Jackson's facilities that are used to serve the wholesale customers listed in Item 17.a. This map shall show, at a minimum, all master meters, pumping stations, storage tanks, water transmission mains, and water distribution mains used to serve the customers listed in Item 17.a. The size of all mains shall be clearly indicated on this map.

21. Provide the portion, if any, of Jackson's water main(s) that serve the wholesale customers listed in Item 17.a and are gravity fed.

22. a. List Jackson's water sales (in gallons) for each month of the test year and for the previous 24 months for each of its wholesale customers and for its retail customers.

b. List the total amount billed by Jackson for water service for each month of the test year and the previous 24 months to each of its wholesale customers and to its retail customers.

23. Provide Jackson's current rate schedule for its retail customers and for each of its wholesale customers.

24. Complete the table below:

	Gallons for	Gallons for
	Test Period	Fiscal Year
Jackson	Test Period	Ending June 30, 2020
Plant Use		
Line Loss		
Retail Sales		
Sales to Breathitt District		
Sales to Other Wholesale Customers		
Total Produced and Purchased		
Total Sold		

25. State whether Jackson provides unmetered water service to any entities (e.g., service to municipal buildings, fire departments or protection services). For each type of unmetered service, estimate the percentage of the estimated unmetered gallons provided in the test year. *On excel sheet.*

26. Provide a copy of the cost of service study (COSS), if any, upon which the proposed rate is based in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

a. Identify the person who prepared the COSS, if any, upon which the proposed rate is based.

b. Provide the preparer's *curriculum vitae*.

c. List all cases before the Commission in which the preparer has submitted a COSS.

d. List all utilities (municipal or public) for which the preparer has prepared a COSS. For each utility, identify the type of utility service (water or sewer) for which the report was prepared.

27. If the proposed rate is not based upon a COSS, describe how Jackson determined the proposed wholesale rate and state who participated in the determination. Provide all supporting documentation for the proposed rate.

✓28. Provide the ordinance or resolution of the city council or similar governing body in which the proposed rate adjustment was approved.

✓29. Provide the minutes of each city council meeting in calendar years 2018-2021 in which a proposed rate adjustment to Jackson's wholesale customers was discussed.

✓30. Provide a copy of all correspondence, electronic mail messages, or other written communications between Jackson and its wholesale customers since January 1, 2020, regarding revisions to Jackson's wholesale rates.

✓31. Provide all contracts and amendments, if any, for water service between Jackson and Breathitt District that have not been filed with the Commission.

32. State the annual effect of the proposed rate adjustment on Jackson's revenues from wholesale water service to each of its wholesale water service customers. Show all calculations made and state all assumptions used to derive this response. Provide this in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

33. Refer to Jackson's Ordinance, Chapter 52.15, Monthly Water Rates, in which it is stated that rates for water service are tied to the Consumer Price Index as published by the Federal Reserve Bank of Cleveland, Ohio. Provide all supporting evidence that the Consumer Price Index is reflective of the costs incurred by Jackson.