

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
NORTH LOGAN WATER DISTRICT #1)	2021-00286

RESPONSE OF NORTH LOGAN WATER DISTRICT #1
TO THE COMMISSION STAFF'S INITIAL REQUEST FOR
INFORMATION DATED AUGUST 26, 2021

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
NORTH LOGAN WATER DISTRICT #1) 2021-00286

VERIFICATION OF TIM BARR


COMMONWEALTH OF KENTUCKY)
COUNTY OF LOGAN)

Tim Barr, Treasurer of North Logan Water District #1, 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.

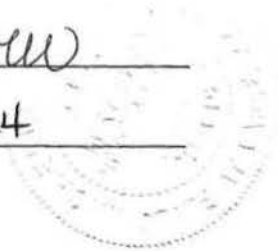


Tim Barr

The foregoing Verification was signed, acknowledged and sworn to before me this 7 day of September, 2021, by Tim Barr.



Commission expiration: 2/3/24



North Logan Water District #1
Case No. 2021-00286
Commission Staff's First Request for Information

Witnesses: Tim Barr (Items 1a, 1d – j, and 2 – 10)
Alan Vilines (Items 1b, 1c, 11 – 12)

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

a. The general ledger and trial balance for the calendar years 2020 and 2021 to date; and the trial balance for the calendar years 2020, and 2021 to date.

Response: See Files - 1a NLWD- 2020 GL.pdf
1a NLWD- 2020 TB.pdf
1a NLWD- 2021 GL Jan-Apr.pdf
1a NLWD- 2021 TB Jan-Apr.pdf

b. The schedule of notes and bonds payable on December 31, 2019; December 31, 2020; and the current period.

Response: See file - 1b NLWD Sch of Loan Payable.pdf

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

Response: These were provided with the application.

d. Insurance policies for 2019, 2020, and the current period, if available.

Response: See files - 1d North Logan 2019 Pkg.pdf
1d North Logan 2019 WC.pdf
1d North Logan 2020 Pkg.pdf
1d North Logan 2020 WC.pdf
1d North Logan 2021 Pkg.pdf
1d North Logan 2021 WC.pdf

e. Hours worked by each employee for the calendar years 2019, 2020, and the current period.

Response: Salaried employees do not submit time cards.

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Willam Harper	salaried	salaried	salaried
Dwight French *	477.0	395.5	410.0
Matt Richmond	-	-	salaried

* 2021 through August

f. A document listing the names, job titles, job description, and pay rates for each employee on December 31, 2019, December 31, 2020, and for those currently employed.

Response: See file - 1f Employee Information.pdf

g. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

Response: Benefits are Health Insurance, Health Savings Account, Retirement Account Contribution and mileage reimbursement

h. Minutes from North Logan District #1's commissioner meetings for the calendar years 2019, 2020, and the current period.

Response: See files - 1h NLWD Board minutes 2019.pdf
1h NLWD Board minutes 2020.pdf
1h NLWD Board minutes 2021.pdf

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 file - 1i Commission Compensation.pdf

j. Fiscal Court minutes approving each commissioner's appointment and compensation.

Response: See file - 1j Logan Fiscal Ct Minutes.pdf

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, rows, and columns unprotected and fully accessible.

Response: See file - 2 NLWD TB 2020.xls

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

Response: S. C. Smotherman - 12
Wallace Harper - 12
Tim Barr - 12

4. Provide a monthly breakdown, in both gallons and dollar amount, of water purchased during the test year, identifying all vendors from whom North Logan District #1 purchased water.

Response: All water is purchased from Logan-Todd Regional W.C.

<u>Month</u> <u>in 2020</u>	<u>Gallons</u> <u>x 1,000</u>	<u>Amount</u> <u>Paid</u>
JAN	4,361	\$ 17,051.51
FEB	4,157	16,253.87
MAR	4,454	17,415.14
APRIL	4,604	15,331.32
MAY	5,006	16,669.98
JUNE	5,065	15,734.25
JULY	4,967	16,540.11
AUG	5,622	18,721.26
SEPT	4,352	14,492.16
OCT	3,340	11,122.20
NOV	3,721	12,390.93
DEC	3,845	12,803.85

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

Response: Late fees were charged twice in 2020.

6. 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:

	<u>No. of Occurrences</u>	<u>Unit Charge</u>	<u>Total Collected</u>
Returned Check Fee	1	\$ 25.00	\$ 25.00
Customer Deposit	52	110.00	5,720.00
Connection Fee	59	25.00	1,475.00
New Tap Fee	13	876.00	11,388.00
Meter Relocation	1	223.00	223.00

7. Provide the cost justification for all nonrecurring charges listed in North Logan District #1's tariff.

Response: See file - 7 Cost Justifications NRC.pdf

8. Provide an overview of any actions planned or taken by North Logan District #1 to reduce its water loss, including any water loss reduction plan.

Response: We have hired a new employee to help with the day-to-day work. This should allow more time to be taken finding leak issues and getting them taken care of in a timely manner. When reading meters, we are following up on those that show little or no usage to make sure they are reading properly. We have inquired about some of the infrastructure funding. If we were to receive any, we could upgrade some of the frequent trouble areas.

9. Identify the number of new water connections that North Logan District #1 installed in calendar year 2020.

Response: The District installed 13 new 5/8" x 3/4" meters in 2020.

10. Provide the accounting methodology and amount of labor and materials recorded for each new water connection used during calendar year 2020.

Response: The District does not account for each new meter connection separately. Expenses related to these installations are charged to operations as costs are incurred.

11. a. Provide the date when North Logan District #1 last performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

Response: It appears that the District has not performed a COSS in the last 20 or more years.

b. Explain whether any material changes to North Logan District #1's system has occurred that would cause a new COSS to be prepared since the date of North Logan District #1's most recent COSS.

Response: There have been no material changes to the District's system that would create the need for a new COSS to be prepared.

c. If there have been no material changes to North Logan District #1's system, explain when North Logan District #1 anticipates completing a new COSS.

Response: A new COSS would be appropriate if material changes in customer usage patterns were to occur.

d. Provide a copy of the most recent COSS performed for North Logan District #1's system in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: No documents regarding a COSS could be found.

12. Refer to North Logan District #1's Application, Attachment 3, Current & Proposed Rates. North Logan District #1 proposed to raise its monthly water 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 rates was chosen.

Response: There have been no significant changes in the distribution of the 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 to increase its monthly water rates North Logan District #1 considered and an explanation why each alternative was not chosen.

Response: No alternative methods were considered.