

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

In the Matter of:

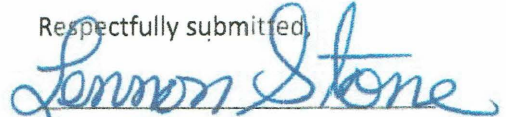
ELECTRONIC APPLICATION OF COLUMBIA/ADAIR )  
UTILITIES DISTRICT FOR A RATE ADJUSTMENT ) CASE NO. 2021-00315  
PURSUANT TO 807 KAR 5;076 )

**RESPONSE OF COLUMBIA/ADAIR UTILITIES DISTRICT  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Columbia/Adair Utilities District submits its Response to the Commission Staff's First Request for Information.

Date: October 18, 2021

Respectfully submitted,



Lennon Stone  
General Manager  
109 Grant Lane  
Columbia KY 42728  
270-384-2181  
Lenny.stone@caud.net

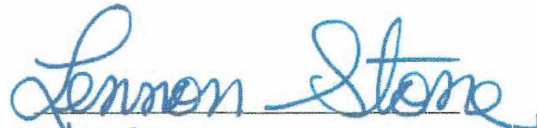
VERIFICATION

COMMONWEALTH OF KENTUCKY )

)

COUNTY OF ADAIR )

The undersigned, Lennon Stone, being duly sworn, deposes and states that he is the General Manager of the Columbia/Adair Utilities District and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained herein are true and correct to the best of his information, knowledge, and belief.

  
Lennon Stone

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18<sup>th</sup> day of October 2021.

  
Notary Public (SEAL)

My Commission Expires 9-24-2024

Notary ID: KYNP15710

VERIFICATION

COMMONWEALTH OF KENTUCKY )

)

COUNTY OF ADAIR )

The undersigned, Jennifer Carter, being duly sworn, deposes and states that she is the Office Manager of the Columbia/Adair Utilities District and that she has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained herein are true and correct to the best of her information, knowledge, and belief.

Jennifer Carter  
Jennifer Carter

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18<sup>th</sup> day of October 2021.

Ashley B Bennett (SEAL)  
Notary Public

My Commission Expires Feb 21, 2024

Notary ID: KYNP3252

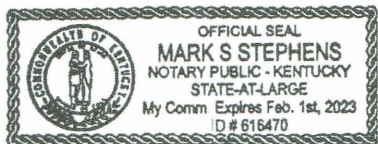
VERIFICATION

STATE OF KENTUCKY )  
 )  
COUNTY OF WOODFORD )

The undersigned, Holly Nicholas, being duly sworn, deposes and states that she is the Consultant to the Columbia/Adair Utilities District and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained herein are true and correct to the best of her information, knowledge, and belief.

Holly Nicholas  
Holly Nicholas

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20<sup>th</sup> day of October 2021.



Mark S. Stephens (SEAL)  
Notary Public

My Commission Expires 02/01/2023

Notary ID: 616470

# **ATTACHMENT Q/A.1**

## COLUMBIA/ADAIR UTILITIES DISTRICT

### RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION CASE NO. 2021-00315

Question No. 1

Responding Witness: Jennifer Carter

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

- a. The general ledger for the calendar years 2020 and 2021 to date;
- b. The trial balance for the calendar years 2020, and 2021 to date, showing unaudited account balances, audit adjustments, and audited balances.

A.1.a. The general ledger is maintained in an accounting software program. The District's software company has exported the general ledger to an Excel spreadsheet. The Excel files does not contain formulas. The General Ledger is attached as Exhibit A.1.a.

The District maintains one general ledger. Water related entries are indicated by account codes 10.10, 10.20, and 10.40 (column D). Sewer related entries are account code 10.30.

A.1.b. The trail balances and adjustments are also maintained in an accounting software and were exported to an Excel spreadsheet. There are no formulas in the exported file. The trial balances are attached as Exhibit A.1.b(1) and A.1.b(2), the adjustments are Exhibit A.1.b(3) and A.1.b(4).

# **ATTACHMENT Q/A.2**



## COLUMBIA/ADAIR UTILITIES DISTRICT

### RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION CASE NO. 2021-00315

Question No. 2

Responding Witness: Jennifer Carter

**Q.2.a. Provide a monthly breakdown, in both gallons and dollar amount, of water purchased during the test year.**

**Q.2.b. Provide a breakdown between any vendors from whom Adair District purchases water.**

A.2.a. and A.2.b.

Month	Water Purchased – Jamestown Utilities		Water Purchased – City of Campbellsville	
	Gallons	Amount	Gallons	Amount
January	1,884,200	\$4,051.03		
February	2,823,200	\$6,069.88		
March	1,943,900	\$4,179.39		
April	1,484,200	\$3,191.03	1,470,700	\$3,483.55
May	1,189,600	\$2,557.64		
June	1,965,700	\$4,226.26		
July	1,902,400	\$4,090.16		
August	2,361,300	\$5,076.80		
September	2,007,300	\$4,315.70		
October	2,300,300	\$4,347.95		
November	1,837,800	\$3,951.27		
December	1,051,100	\$2,259.87		
Total	22,751,000	\$48,316.98	1,470,700	\$3,483.55



# **ATTACHMENT Q/A.3**

# COLUMBIA/ADAIR UTILITIES DISTRICT

## RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION CASE NO. 2021-00315

Question No. 3

Responding Witness: Jennifer Carter

**Q.3. Provide the total amount collected for each nonrecurring charge and the number of occurrences for each nonrecurring charge assessed during the test year.**

A.3. The amount collected for each nonrecurring charge for the test year was:

Return Check Fees	\$825
Penalties	\$25,590
Connection Fees	\$28,620
Reinstall/Reconnect	\$2,770
Miscellaneous	<u>\$6,599</u>
Total	\$64,404

Miscellaneous revenue was:

\$5,280	Insurance settlement – pipe installed in 1970s
\$150.00	Broke lock fee charged to customer
\$350.75	Water Salesman receipts
\$748.80	Sale of Scrap Metal
\$69.00	Drug test reimbursement from potential employee

The number of occurrences were:

Return Check Fees	33	
Penalties	4,962	(January – March only)
Connection Fees	954	
Re-installation/Reconnect	89	

# **ATTACHMENT Q/A.4**

**COLUMBIA/ADAIR UTILITIES DISTRICT**

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION  
CASE NO. 2021-00315**

Question No. 4

Responding Witness: Jennifer Carter and Holly Nicholas

**Q.4. Refer to the Application, Volume 4, Exhibit F, Depreciation Schedule.pdf. Provide the Exhibit in Excel Spreadsheet format with all formulas, columns, rows unprotected and fully accessible.**

A.4. CAUD's Depreciation Schedule is generated as part of its accounting/billing software program. It was provided to our rate consultant as a PDF file. It has been exported from PDF to Excel but does not contain any formulas as it was not an Excel spreadsheet originally. The exported file is attached as Exhibit A.4.a.

# **ATTACHMENT Q/A.5**

**COLUMBIA/ADAIR UTILITIES DISTRICT**

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION  
CASE NO. 2021-00315**

Question No. 5

Responding Witness: Holly Nicholas

**Q.5. Provide the cost justification for all nonrecurring charges listed in Adair District's tariff.**

A.5. The District filed its nonrecurring charges with the Commission in 2008 and was approved by the Commission in Case No. 2008-00474 on January 15, 2009. The data submitted showing what makes up the nonrecurring charges is found in this case filing.

# **ATTACHMENT Q/A.6**



**COLUMBIA/ADAIR UTILITIES DISTRICT**

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION  
CASE NO. 2021-00315**

Question No. 6

Responding Witness: Jennifer Carter

**Q.6. Identify the number of new water connections that Adair District installed in the calendar year 2020.**

**A.6. 121**

# **ATTACHMENT Q/A.7**

**COLUMBIA/ADAIR UTILITIES DISTRICT**

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION  
CASE NO. 2021-00315**

Question No. 7

Responding Witness: Jennifer Carter

**Q.7. Provide the method and amount of labor and materials recorded for each new water connection used during the calendar year 2020.**

A.7. The labor cost was estimated for short side and long side meter settings when the nonrecurring charges were submitted for approval by the Commission in 2008. The District only records the total tap fee paid and does not separate it between labor and materials.

# **ATTACHMENT Q/A.8**

# COLUMBIA/ADAIR UTILITIES DISTRICT

## RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION CASE NO. 2021-00315

Question No. 8

Responding Witness: Holly Nicholas

**Q.8. Refer to the Application, Debt\_Details.xlsx. For each debt issuance still active; provide the case number in which Adair District was authorized to issue the debt.**

A.8.

Bond/Loan Holder	Bond/Loan Number	Percentage Water	Percentage Sewer	PSC Case Number
KIA	F06-01	100%	0%	
RD	91-22	100%	0%	2009-00320
KIA	F07-01	100%	0%	2007-00473
RD	91-45	100%	0%	
RD	91-24	100%	0%	2012-00018
KIA	F10-01	100%	0%	2011-00127
KIA	F10-02	100%	0%	
KRWFC	2013D	67%	33%	2013-00169
RD	93-42	0%	100%	2014-00218
KIA	F11-10	100%	0%	2013-00095
KIA	F12-04	100%	0%	2014-00020
RD	93-51	87%	13%	2020-00308
KIA	F20-009	100%	0%	2021-00176
KIA	F20-016	0%	100%	2021-00156
KRWFC	2020G	98%	2%	2020-00148

PSC Order regarding assumption of city debt – Case No. 2010-00361

PSC Case numbers could not be located for KIA loans F06-01 and F10-02 which originally were awarded to the Columbia/Adair Water Commission.

A Case number could not be located for RD bond issue 91-45 which was also originally awarded to the Columbia/Adair Water Commission. Based upon the Order in Case No. 2010-00361 Commission approval would not have been required for this bond issue per KRS 278.300(10).

The Columbia/Adair Utilities Commission began the process of assuming the Water Commission in 2011 but was not finalized until 2015.

# **ATTACHMENT Q/A.9**

**COLUMBIA/ADAIR UTILITIES DISTRICT**

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION  
CASE NO. 2021-00315**

Question No. 9

Responding Witness: Holly Nicholas

**Q.9. Refer to the Application, Exhibit D. Provide a detailed breakdown of the \$190,641 listed as Other Operating Revenue.**

A.9. \$64,404 of the \$190,641 was from the 2020 PSC Report. The \$64,404 is the amount of income from nonrecurring charges and miscellaneous income (see Question and Answer No. 3 for breakdown of the \$64,404). Because the Commission stopped Districts from charging late fees in most of 2020, the Miscellaneous Service Revenue line item in the ARF was adjusted to reflect the average of the three years prior to 2020. The average of 2017, 2018, and 2019 was \$190,641. The difference between this average and the amount listed in the 2020 PSC Report is \$126,237.



# **ATTACHMENT Q/A.10**

## COLUMBIA/ADAIR UTILITIES DISTRICT

### RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION CASE NO. 2021-00315

Question No. 10

Responding Witness: Lennon Stone and Jennifer Carter

**Q.10. State when the last time Adair District performed a cost-of-service study (COSS) to review the appropriateness of its current rates and rate design.**

**a. Explain whether Adair District considered filing a COSS with the current rate application and the reasoning for not filing one.**

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

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

**d. Provide a copy of the most recent COSS that has been performed for Adair District's system in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.**

A.10.

a. The District did not consider filing a COSS with the current rate application. With each RD funded project, the District has had a rate analysis completed as part of the preliminary engineering work. The most recent RD rate analysis was in 2019/2020.

b. There were no changes to the District's system from the last rate analysis to 2021 that would warrant a COSS.

c. The District does not anticipate having to complete a COSS in the near future.

d. No COSS has been done during the tenure of the current General Manager and Office Manager, which is 25+ years, therefore, there is no study and spreadsheets to submit.

# **ATTACHMENT Q/A.11**

## **COLUMBIA/ADAIR UTILITIES DISTRICT**

### **RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION CASE NO. 2021-00315**

Question No. 11

Responding Witness: Holly Nicholas

**Q.11. Refer to Adair District's Customer Notice. Adair 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 method to increase monthly water service rates was chosen.**

**b. Provide a list of alternative methods Adair District considered and an explanation as to why each alternative was not chosen to increase its monthly water service rates.**

A.11.

a. The across-the-board percentage method was used because the ARF Revenue Requirement Calculation Form generates this method and the District felt it was a fair and equitable way to increase its rates.

b. No other methods were considered because we used the ARF Revenue Requirement Calculation Form.

# **ATTACHMENT Q/A.12**

## COLUMBIA/ADAIR UTILITIES DISTRICT

### RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION CASE NO. 2021-00315

Question No. 12

Responding Witness: Holly Nicholas

**Q.12. Refer to Adair District's Application, Exhibit E,**

- a. Provide the source of the 2020 usage data presented in the Billing Analysis, and state whether any adjustments were made to the data.**
- b. Provide a list of any adjustments made to the data and include an explanation of each adjustment.**

A.12.

- a. The source of the 2020 usage data is from the District's billing program. No adjustments were made to the data.
- b. Not applicable

# **ATTACHMENT Q/A.13**



**COLUMBIA/ADAIR UTILITIES DISTRICT**

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION  
CASE NO. 2021-00315**

Question No. 13

Responding Witness: Jennifer Carter

**Q.13. Refer to Adair District's Application, Exhibit E. Confirm that no water was sold, at the current wholesale rate, to Green Taylor Water District, and East Casey Water District during 2020.**

A.13.

No water was sold to Green Taylor and East Casey Water Districts during all of 2020.

# **EXHIBIT A.1.a(1)**

**2020 General Ledger**

**Uploaded as Excel File**

# **EXHIBIT A.1.a(2)**

**2021 General Ledger**

**Uploaded as Excel File**

# **EXHIBIT A.1.b(1)**

**2020 Trial Balances**

**Uploaded as Excel File**

# **EXHIBIT A.1.b(2)**

**2021 Trial Balances**

**Uploaded as Excel File**

# **EXHIBIT A.1.b(3)**

**2020 CPA Adjustments**

**Uploaded as Excel File**

# **EXHIBIT A.1.b(4)**

**2020 CAUD Adjustments**

**Uploaded as Excel File**



# **EXHIBIT A.4.a**

**2020 Depreciation Schedule**

**Uploaded as Excel File**