

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

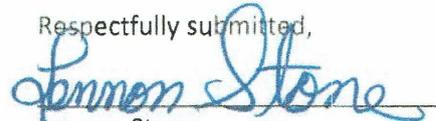
ELECTRONIC APPLICATION OF COLUMBIA/ADAIR)	
UTILITIES DISTRICT FOR A RATE ADJUSTMENT)	CASE NO. 2021-00316
PURSUANT TO 807 KAR 5:076)	

**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, 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 18th day of October 2021.

Ashley B Bennett (SEAL)
Notary Public

My Commission Expires Feb 21, 2024

Notary ID: KYNP3252

VERIFICATION

STATE OF KENTUCKY)

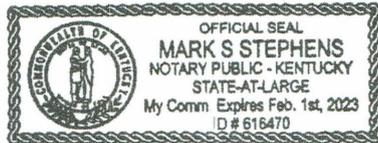
)

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 20th 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. 2021-00316

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.

The general ledger is maintained in an accounting software program. It has been exported by the software company to an Excel spreadsheet. The Excel files does not contain formulas. The General Ledger is attached as Exhibit A.1.a(1). and A.1.a(2)

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 balance is 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. 2021-00316**

Question No. 2

Responding Witness: Jennifer Carter

Q.2. Provide the total amount collected for each nonrecurring charge and the number of occurrences for each nonrecurring charge assessed during the test year.

A.2. Nonrecurring charges are not charged to sewer customers.

ATTACHMENT Q/A.3

COLUMBIA/ADAIR UTILITIES DISTRICT

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION
CASE NO. 2021-00316**

Question No. 3

Responding Witness: Jennifer Carter and Holly Nicholas

Q.3. 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.3. 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.3.a.

ATTACHMENT Q/A.4

COLUMBIA/ADAIR UTILITIES DISTRICT

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION
CASE NO. 2021-00316**

Question No. 4

Responding Witness: Jennifer Carter

Q.4. Provide the cost justification for all nonrecurring charges listed in Adair District's tariff.

A.4 The District does not assess nonrecurring charges on sewer service. There are no nonrecurring charges listed in the District's sewer tariff.

ATTACHMENT Q/A.5

COLUMBIA/ADAIR UTILITIES DISTRICT

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION
CASE NO. 2021-00316**

Question No. 5

Responding Witness: Jennifer Carter

Q.5. Identify the number of new sewer connections that Adair District installed in the calendar year 2020.

A.5. Five (5)

ATTACHMENT Q/A.6

COLUMBIA/ADAIR UTILITIES DISTRICT

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION
CASE NO. 2021-00316**

Question No. 6

Responding Witness: Lennon Stone

Q.6. Provide the method and amount of labor and materials recorded for each new sewer connection used during the calendar year 2020.

A.6. The District charges \$500 for a residential sewer. When this tap fee was established it was an estimate of labor time/cost and material costs. When a sewer tap fee is recorded it is not divided in the General Ledger between labor and materials.

For commercial sewer connections the connection fee is actual cost starting at \$750 and can go higher based on the actual cost of materials required for each particular connection.

ATTACHMENT Q/A.7

COLUMBIA/ADAIR UTILITIES DISTRICT

RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION CASE NO. 2021-00316

Question No. 7

Responding Witness: Holly Nicholas

Q.7. 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 for Adair District's sewer division.

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.7.

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.8

COLUMBIA/ADAIR UTILITIES DISTRICT

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION
CASE NO. 2021-00316**

Question No. 8

Responding Witness: Holly Nicholas

Q.8. Refer to Adair District's Customer Notice. Adair District proposes to raise its monthly sewer service rates by an across-the-board percentage amount.

a. Provide an explanation of how the across-the-board percentage method to increase monthly sewer 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 sewer service rates.

A.8.

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.9

COLUMBIA/ADAIR UTILITIES DISTRICT

**RESPONSE TO COMMISSIONS STAFF'S FIRST REQUEST FOR INFORMATION
CASE NO. 2021-00316**

Question No. 9

Responding Witness: Holly Nicholas

Q.9. 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.9.

- 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

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.3.a

2020 Depreciation Schedule

Uploaded as Excel File