

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
GALLATIN COUNTY WATER DISTRICT)	2021-00396

RESPONSE OF GALLATIN COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED DECEMBER 7, 2021

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
GALLATIN COUNTY WATER DISTRICT)	2021-00396

VERIFICATION OF ALAN VILINES


COMMONWEALTH OF KENTUCKY)
)
COUNTY OF WARREN)

Alan Vilines, Kentucky Rural Water Association on behalf of Gallatin County Water District, 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.



Alan Vilines

The foregoing Verification was signed, acknowledged, and sworn to before me this 3rd day of January 2022, by Alan Vilines.



Commission expiration: 7/12/2022
603266

**Gallatin County Water District
Case No. 2021-00396
Commission Staff's First Request for Information**

Witnesses: Tammy Hendren (Items 1 – 3, 5 – 10, 12 – 19, and 21 – 23)
Alan Vilines (Items 4, 11, and 20)

Please note: Several of the items in this First Request ask for year 2020 information. However, the test year in this case is 2019. For those items the requested information is provided for the relevant year which is 2019.

1. 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:

NON-RECURRING CHARGES- 2019

CHARGE	Amount Collected	Number of Occurances
Connection/Turn On Charge	7,875.00	225
Connection/Turn On Charge- After Hours	-	-
Disconnection/Reconnection	8,855.00	253
Field Collection Charge	3,185.00	91
Late Payment Penalty	29,740.34	6,555
Meter Re-Read	-	-
Meter Test Charge	-	-
Returned Check	387.00	16
Service Line Inspection	-	-
Meter Relocation	-	-
Credit Card Payment	-	-

2. Provide the cost justification for all nonrecurring charges listed in Gallatin District's tariff.

Response: The cost justification for a 5/8 x 3/4" meter installation is provided. The other existing justification sheets could not be located, so updated cost justifications are included. See file Gallatin 1.2 – Cost Justifications.

3. Provide an overview of any actions planned or taken by Gallatin District to reduce its water loss, including any water loss reduction plan.

Response: See file Gallatin 1.3 – Water Loss Reduction Plan

4. a. Provide the date when Gallatin District last performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

Response: The last COSS was performed in 2011 and was filed with the Public Service Commission in Case No. 2011-00378.

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

Response: There have been no material changes in 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 Gallatin District's system, explain when Gallatin District anticipates completing a new COSS.

Response: A new COSS will be appropriate when material changes in customer usage patterns occur.

5. Provide a copy of Gallatin District's general ledgers for calendar year 2020 and the current period. The general ledgers 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, columns, and rows unprotected and fully accessible.

Response: See files Gallatin 1.5 – 2019 General Ledger
Gallatin 1.5 – 2021 General Ledger

6. a. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year ended 2020. The trial balances shall be traced and referenced directly to the calendar year 2020 general ledger requested in Item 5.

Response: See file Gallatin 1.6 a_b – 2019 TB worksheet

b. Provide a schedule tracing the unadjusted account balances in trial balance directly to the calendar year 2020 general ledger requested in Item 5.

Response: See above

c. Provide a schedule tracing the adjusted account balances in trial balance directly to the actual test-year reported in the Application, Attachment 4, Schedule of Adjusted Operations.

Response: See file Gallatin 1.6 c – 2019 Spread of Costs

d. Provide copies of the responses to Item 6.a, Item 6.b., and Item 6.c in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

7. a. Provide copies of Gallatin District's General Liability Insurance, Workers' Compensation Insurance and Automobile Insurance policies for 2019, 2020, and 2021.

Response: See file Gallatin 1.7 a – Insurance Coverage

b. Provide copies of the invoices (bills) received in 2019, 2020, and 2021 for the insurance policies identified in Item 7.a.

Response: See file Gallatin 1.7 b – Insurance Invoices

8. Provide the minutes from Gallatin District commissioner meetings for the calendar year 2020, and the current period.

Response: See file Gallatin 1.8 – 2019 and 2021 Minutes

9. Provide a document listing the name of all commissioners for each of the five previous calendar 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 Gallatin 1.9 – Commissioners

10. Provide the Fiscal Court minutes approving each commissioner's appointment and compensation.

Response: See file Gallatin 1.10 – Commissioner Apptmts and Comp

11. Refer to the Application, Attachment 4, Schedule of Adjusted Operations. Provide the workpapers that support the pro forma adjustments described in the References page of the Attachment in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: See file Gallatin 1.11 - Adjustments

12. Using a table format, provide the following information for each employee identified by employee number and job title: job description, date hired, date terminated (if applicable), and pay rates for each employee on December 31 for calendar years 2016 through 2020 and the pay rates as of July 1, 2021. Provide the requested tables in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: See file Gallatin 1.12-16 Employee Information

13. Using a table format, provide the regular hours and overtime hours for each employee identified in Gallatin District's response to Item 12 for the calendar years 2016 through 2020. Provide the requested table in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: See file Gallatin 1.12-16 Employee Information

14. Using a table format, provide the following actual full-year salary information for each employee listed in Item 12 above, identified by employee number and job title, for the calendar years 2016 through 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 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).

Response: See file Gallatin 1.12-16 Employee Information

15. Using a table format, provide the following actual full-year benefit information for each employee listed in Item 12 above, identified by employee number and job title, for the calendar years 2016 through 2020. The employee's benefit information for each year shall be provided in a separate table. Provide the requested tables in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

- a. Health care benefit cost for each employee.
 - (1) Amount paid by Gallatin District.
 - (2) Amount paid by each employee.
- b. Dental benefits cost for each employee.
 - (1) Amount paid by Gallatin District.
 - (2) Amount paid by each employee.
- c. Vision benefits cost for each employee.
 - (1) Amount paid by Gallatin District.
 - (2) Amount paid by each employee.

- d. Life insurance cost for each employee.
 - (1) Amount paid by Gallatin District.
 - (2) Amount paid by each employee.
- e. Accidental death and disability benefits for each employee.
 - (1) Amount paid by Gallatin District.
 - (2) Amount paid by each employee.
- f. Defined Contribution - 401(k) or similar plan cost for each employee.
 - Provide the amount paid by Gallatin District.
- g. Defined Benefit Retirement cost for each employee.
 - (1) Amount paid by Gallatin District.
 - (2) Amount paid by each employee.
- h. Cost of any other benefit available to an employee (specify).

Response: See file Gallatin 1.12-16 Employee Information

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

Response: See file Gallatin 1.12-16 Employee Information

17. a. Identify the number of new connections (meters) that Gallatin District installed in calendar year 2019, 2020, and to date in 2021.

Response:

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Meters Installed	10	28	25

b. Identify the amount of tap-on fees Gallatin District collected in calendar years 2019, 2020, and to date in 2021.

Response:

	<u>2019</u>	<u>2020</u>	<u>2021</u>
Tap on Fees	\$ 8,318	\$24,542	\$19,638

c. Identify the account where Gallatin District recorded its tap-on fees.

Response: Tap fees are recorded under GL account #6040.

18. Identify the cost of the meters and services that Gallatin District capitalized in calendar year 2020 and to date in 2021. Also, identify the calendar year 2020 adjusting journal entry where the cost of the meters and services were transferred from the expense to the capital accounts.

Response: See file Gallatin 1.18 – Meter Capitalization

19. Identify the labor Gallatin District capitalized associated with its meter installations in calendar year 2020 and to date in 2021. Explain in detail how the capitalized labor costs were capitalized.

Response: To estimate labor expense the average labor cost of \$240 from the Cost Justification Form (RFI Item #2) is multiplied by the number of meters. For example, in 2019 ten meters were installed and the labor amount capitalized was \$2,400. Also see Item 18 above. Meters have not been capitalized at this time for 2021.

20. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, References C. Explain if Gallatin District adjusted its operating revenues and expenses to annualize the usages for the customers added during the test-year, calendar year 2020.

Response: Operating revenues and expenses were not adjusted for usage by customers added during the test year.

21. Provide a detailed explanation of any cost containment actions that Gallatin District has implemented in calendar years 2016 through 2020. Quantify the financial impact that each cost containment action had on Gallatin District's financial condition.

Response: See file Gallatin 1.21 – Cost Containment

22. Refer to the Application, Attachment 7, 2020 Depreciation Schedule. Provide a copy of Gallatin District's 2020 Depreciation Schedule in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: See file Gallatin 1.22 – 2019 Depr Schedule

23. Refer to the Application, Attachment 8, Outstanding Debt Instruments. For each debt issuance that is still active; provide the case number in which Gallatin District was authorized to issue the debt.

Response:

<u>Loans</u>	<u>PSC Case #</u>
KRWF-2017A	20017-00197
KRWF-2020C	20019-00460
KIA Loan B-99	99-493