

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
WESTERN FLEMING WATER DISTRICT)	2021-00406

RESPONSE OF WESTERN FLEMING WATER DISTRICT
TO THE COMMISSION STAFF'S INITIAL REQUEST FOR
INFORMATION DATED DECEMBER 3, 2021

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
CHRISTIAN COUNTY WATER DISTRICT) 2021-00406


VERIFICATION OF VERNON BARTON

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FLEMING)

Vernon Barton, Chairman of Western Fleming 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.


Vernon Barton

The foregoing Verification was signed, acknowledged and sworn to before me this 20 day of December, 2021, by Vernon Barton.


Commission expiration: 2-17-23

**Western Fleming Water District
Case No. 2021-00406
Commission Staff's First Request for Information**

Witnesses: Vernon Barton #1-10, #12-17, #21
Robert K. Miller #11, #18-20, #22-24

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: WFWD intends to provide this information by January 20, 2022.

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

Response: WFWD intends to provide this information by January 20, 2022.

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

Response: WFWD intends to provide this information by January 20, 2022.

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

Response: WFWD intends to provide this information by January 20, 2022.

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

Response: WFWD intends to provide this information by January 20, 2022.

c. If there have been no material changes to Western Fleming District's system, explain when Western Fleming District anticipates completing a new COSS.

Response: WFWD intends to provide this information by January 20, 2022.

5. Provide a copy of Western Fleming 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: WFWD intends to provide this information by January 20, 2022.

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

Response: WFWD intends to provide this information by January 20, 2022.

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

Response: WFWD intends to provide this information by January 20, 2022.

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

Response: WFWD intends to provide this information by January 20, 2022.

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

Response: WFWD intends to provide this information by January 20, 2022.

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: WFWD intends to provide this information by January 20, 2022.

10. Provide the fiscal court minutes approving each commissioner's appointment and compensation.

Response: WFWD intends to provide this information by January 20, 2022.

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 attached files:

11_Rate_Study

11_Commissioner_Salaries

11_Page_49_from_2020_PSC_Annual_Report

11_Question_about_Account_471_Miscellaneous_Service_Revenues

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: WFWD intends to provide this information by January 20, 2022.

13. Using a table format, provide the regular hours and overtime hours for each employee identified in Western Fleming 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: WFWD intends to provide this information by January 20, 2022.

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: WFWD intends to provide this information by January 20, 2022.

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 Western Fleming District.

(2) Amount paid by each employee.

b. Dental benefits cost for each employee.

(1) Amount paid by Western Fleming District.

(2) Amount paid by each employee.

c. Vision benefits cost for each employee.

(1) Amount paid by Western Fleming District.

(2) Amount paid by each employee.

d. Life insurance cost for each employee.

(1) Amount paid by Western Fleming District.

(2) Amount paid by each employee.

e. Accidental death and disability benefits for each employee.

(1) Amount paid by Western Fleming District.

(2) Amount paid by each employee.

f. Defined Contribution - 401(k) or similar plan cost for each employee. Provide the amount paid by Western Fleming District.

g. Defined Benefit Retirement cost for each employee.

(1) Amount paid by Western Fleming District.

(2) Amount paid by each employee.

h. Cost of any other benefit available to an employee (specify).

Response: WFWD intends to provide this information by January 20, 2022.

16. Provide a listing of all health care plan categories available to Western Fleming 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: WFWD intends to provide this information by January 20, 2022.

17. a. Identify the number of new connections (meters) that Western Fleming District installed in calendar year 2019, 2020, and to date in 2021.
- b. Identify the amount of tap-on fees Western Fleming District collected in calendar years 2019, 2020, and to date in 2021.
- c. Identify the account where Western Fleming District recorded its tap-on fees.

Response: WFWD intends to provide this information by January 20, 2022.

18. Identify the cost of the meters and services that Western Fleming 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: WFWD intends to provide this information by January 20, 2022.

19. Identify the labor Western Fleming 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: Western Fleming Water District did not capitalize the costs for services and meter installations as a result of tapping fees collected and new services installed in 2020 and to date 2021. The tapping fees collected in 2020 were \$6,800. The labor and materials associated with these were expensed in 2020. The Schedule of Adjusted Operations reduced labor costs for the test year by 30% of the amount of the tapping fees collected or \$2,040 and reduced materials costs by 70% of the tapping fees collected or \$4,760.

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

Response: Western Fleming County Water District added eight 5/8" services in 2020. There were no adjustments to operating revenues and expenses to annualize the usages for the customers added.

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

Response: WFWD intends to provide this information by January 20, 2022.

22. Refer to the Application, Attachment 8, Bond Resolutions and Debt Agreements. For each debt issuance that is still active; provide the case number in which Western Fleming District was authorized to issue the debt.

Response:	1988 Bonds	19010024
	1997 Bonds	1997-00387
	2002 Bonds	2002-00290
	2010 KIA Loan	Not Authorized*
	2020 RD Loan	2019-00456

Note: The 2010 KIA Loan was not authorized by the Kentucky Public Service Commission. This matter was addressed by 2014-00400.

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

Response: See attached file:

23_Depreciation_Schedule_2020

Note: The tab entitled "Source from Auditors" is the schedule as produced by the auditors for Western Fleming Water District. This schedule required extensive reorganization because the assets were organized incorrectly. The corrected schedule is shown in the tab entitled "Data for Subtotals".

24. Refer to the Application, Attachment 5, Current Billing Analysis, Retail Usage by Rate Increment. The First 1,000 gallons has 3,527 bills with usage stated as (1,641,000) gallons.

- Explain the negative amount of gallons in the billing analysis.
- If this entry is in error, revise the billing analysis.
- If this is not an error, provide the billing register for the test year in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible

Response: See attached files:

24_Usage_Breakdown_By_Usage

This is the report produced by the Western Fleming Water District billing system.

24_Source_Data_Usage_Breakdown_By_Usage

This is the data from the report produced by the Wester Fleming Water District billing system extracted into Excel format.

24_2020_Usage

This is the data from the previous file reformatted for use in Existing Billing Analysis.