

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

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
JONATHAN CREEK WATER DISTRICT	)	2021-00410

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RESPONSE OF JONATHAN CREEK WATER DISTRICT  
TO THE COMMISSION STAFF'S FIRST REQUEST FOR  
INFORMATION DATED JUNE 3, 2022

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JONATHAN CREEK WATER DISTRICT ) 2021-00410

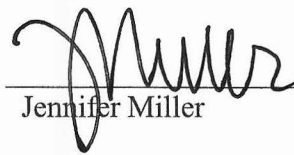
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**VERIFICATION OF JENNIFER MILLER**

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COMMONWEALTH OF KENTUCKY )  
COUNTY OF Marshall )

Jennifer Miller, Office Manager of Jonathan Creek Water District, states that she 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 her knowledge, information, and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
Jennifer Miller

The foregoing Verification was signed, acknowledged, and sworn to before me this 6<sup>th</sup> day of July 2022, by Jennifer Miller.

David Lovett # 612527  
Commission expiration: 11-19-2022

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF )  
JONATHAN CREEK WATER DISTRICT ) CASE NO.  
2021-00410

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VERIFICATION OF ALAN VILINES


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COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF WARREN )

Alan Vilines, Kentucky Rural Water Association on behalf of Jonathan Creek 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 29 day of June 2022, by Alan Vilines.

  
\_\_\_\_\_  
Commission expiration: 7/12/2022  
#603266

**Jonathan Creek Water District**  
**Case No. 2021-00410**  
**Commission Staff's First Request for Information**

**Witnesses:** Jennifer Miller (Items 1, 3, 4, 6, 7, and 11)  
Alan Vilines (Items 2, 5, and 8 – 10)

***NOTE:*** Several of the items in this First Request ask for year 2020 information. However, the test year in this case is 2021. For those items the requested information is provided for the relevant year which is 2021. Other years are adjusted accordingly.

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.

**Response:** See files JC1 1.a – General Ledger 2021  
JC1 1.a – General Ledger 2022 to date  
JC1 1.a – Trial Balance 2021  
JC1 1.a – Trial Balance 2022 to date

b. The trial balance for the calendar years 2020 and 2021 to date;

**Response:** See 1.a above.

c. General Liability Insurance policies for 2020 and the current period, if available;

**Response:** See file JC1 1.c – Insurance Information

d. Hours worked by each employee, separated by regular hours worked, overtime hours worked, and any other form of hourly wage for the calendar year 2020;

**Response:** See file JC1 1.d – Employee Hours

e. A document detailing the names, job titles, job description, and pay rates for each employee on December 31, 2018, December 31, 2019, December 31, 2020, and for those currently employed;

**Response:** See file JC1 1.e – Employee Information

f. A description of all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years;

**Response:** The employee benefits are health, dental, vision & life insurance. For the years 2017 - June of 2021 employees & spouses or dependents were covered at 100% on health, dental & vision. Life was provided at 100% on the employee only. June 2021 to present only the employee is covered at 100% on health. Spouses or dependents, if coverage is elected, are paid by the employee at 100% on health. The district still pays spouse or dependents at 100% on vision & dental.

g. State whether Jonathan Creek District employees participate in County Employee Retirement System (CERS). If confirmed, provide a statement from CERS that reflects the actual monthly payments remitted in 2020;

**Response:** The District's employees do participate in CERS.  
See file JC1 1.g – CERS Payments

h. Minutes from Jonathan Creek District commissioner meetings for the calendar years 2020 and the current period;

**Response:** See file JC1 1.h – Board Minutes

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.); and

**Response:** See file JC1 1.i – Commissioner Compensation

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

**Response:** See file JC1 1.j – Fiscal Ct Minutes

2. Refer to the Application, Attachment 4. For each adjustment detailed in the reference section, provide all workpapers used in the calculation of the adjustments. State all assumptions made.

**Response:** See file JC1 2 – Adjustments. **NOTE:** *The District recently hired a new full-time employee at \$15 per hour. This additional expense should be considered in the new rate. With revised adjustments to wages, taxes, and CERS the overall rate increase will be 7.35%. See file JC1 2 – Revised Adjustments.*

3. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year ended 2020 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response:** See file JC1 3 – Adjusted TB 2021

4. Refer to Jonathan Creek District's Application, Attachment 9, Outstanding Debt Instruments. For each debt instrument, provide a summary of the institution to whom the debt is owed, its original purpose, and the Case No. in which it was authorized or addressed by the Public Service Commission.

**Response:** The debt is with Community Financial Services Bank of Murray, KY. Its original purpose was to replace lines and make system improvements. It was addressed in a PSC Staff Opinion. See file JC1 4 – Staff Opinion.

5. State the last time when Jonathan Creek District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

**Response:** After review of available records, it appears the last COSS was performed by PSC Staff in Case No. 2004-00273.

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

**Response:** The District did not consider filing a COSS because there have been no material changes in the District's system.

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

**Response:** See Item 5.c below.

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

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

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

**Response:** The COSS from Case No. 2004-00273 is not available.

6. Provide the number of new tap-ons installed by meter size for 2020.

**Response:** In 2021 there were 37 5/8" x 3/4" and 7 1" meters installed.

a. State whether Jonathan Creek District keeps a record of the dollar amounts of labor and materials used to install new customer taps. If Jonathan Creek District does, state the amount of labor expense and materials expense for the test year and where it is located in the general ledger.

**Response:** The District does not record the dollar amounts of labor and materials used to install new customer taps.

b. Separately state the amounts expensed to install each meter.

**Response:** The District does not record the amounts expensed to install each new meter.

c. Provide copies of the cost justification sheets and supporting documents that Jonathan Creek District to support Meter Connection/Tap-on Fee on file with the Commission.

**Response:** See file JC1 6.c – Meter Cost Justifications

7. For the nonrecurring charges listed in Jonathan Creek District's tariff on file with the Commission, provide a schedule listing the number of occurrences during the test year for each of the charges, the total dollar amount billed, and the total dollar amount collected during the test year.

**Response:** See file JC1 7 – Nonrecurring Charges

8. Refer to the tariff currently on file with the Commission for Jonathan Creek District. Provide copies of the cost justification sheets Jonathan Creek District filed with the Commission to support each nonrecurring charge. If Jonathan Creek District is unable to locate the cost justification sheets filed with the Commission, provide updated sheets.

**Response:** Meter Reinstallation and Meter Test Charges were established in Case No. 2002-00131, but Cost Justification sheets are not available. For other charges see file JC1 8 – Nonrecurring Cost Justifications.

9. Refer to Jonathan Creek District's Customer Notice. Jonathan Creek 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; and

**Response:** Since there have been no material changes in its system since the last cost of service study, 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 Jonathan Creek District considered and an explanation as to why each alternative was not chosen to increase its monthly water service rates.

**Response:** There were no alternative methods considered.

10. Confirm whether any of Jonathan Creek District's debt instruments require a set debt coverage ratio. If yes, detail these ratios and explain whether Jonathan Creek District requires this rate adjustment to meet those requirements.

**Response:** The debt instruments do not require a debt coverage ratio.

11. Provide proof of publication of the Notice to customers about the rate adjustment request.

**Response:** See file JC1 11 – Proof of Notice