

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
CORINTH WATER DISTRICT)	2021-00425

RESPONSE OF CORINTH WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED DECEMBER 29, 2021

COMMONWEALTH OF KENTUCKY

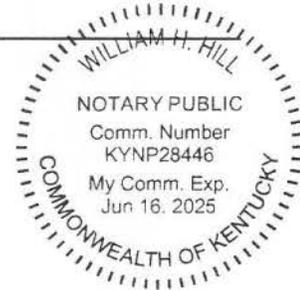
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
CORINTH WATER DISTRICT) 2021-00425

VERIFICATION OF TARA WRIGHT

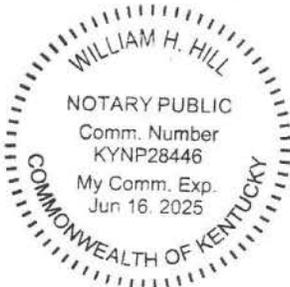
COMMONWEALTH OF KENTUCKY)
COUNTY OF GRANT)



Tara Wright, Manager of Corinth 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.

Tara Wright
Tara Wright

The foregoing Verification was signed, acknowledged, and sworn to before me this 2nd day of February 2022, by Tara Wright.



William H. Hill
Commission expiration: 06/16/2025

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
CORINTH WATER DISTRICT) 2021-00425

VERIFICATION OF ALAN VILINES

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF WARREN)

Alan Vilines, Kentucky Rural Water Association on behalf of Corinth 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 31st day of January 2022, by Alan Vilines.

Bobbie S. Shanahan

Commission expiration: 7/12/2022
#603266

**Corinth Water District
Case No. 2021-00425
Commission Staff's First Request for Information**

Witnesses: Tara Wright (Items 1 – 3, 5 – 10, 12 – 19, and 21)
Alan Vilines (Items 4, 11, 20, 22 and 23)

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: See file CWD 1.1 – Nonrecurring Charges

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

Response: See file CWD 1.2 – Cost Justifications. Certain cost justifications were modified by PSC Staff in Case No. 2009-00025.

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

Response: See file CWD 1.3 – Water Loss Reduction Plan

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

Response: No record could be found which would indicate when the last COSS was performed.

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

Response: There have been no material changes to 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 Corinth District's system, explain when Corinth 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 Corinth 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 CWD 1.5 – 2020 General Ledger
CWD 1.5 – 2021 General Ledger (thru Nov)

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: There were no audit adjustments for 2020, so there are no unaudited account balances – audit adjustments – audited balances. See file CWD 1.6 – 2020 Trial Balance

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: A schedule tracing the unaudited balances cannot be provided because they do not exist. All balances on the trial balance should agree with the general ledger for the year since this is just another way of reporting the same figures.

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 CWD 1.6 – 2020 Trial Balance. Highlighted areas in the trial balance are totaled and labeled to indicate the accounts that make up the figures presented for the test year in the 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.

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

Response: See file CWD 1.7a – Insurance Policies

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 CWD 1.7b – Insurance Invoices

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

Response: See file CWD 1.8 – Board Minutes. In 2020 several meetings were cancelled because of the Covid pandemic.

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 CWD 1.9 – Commissioners Payroll

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

Response: See file CWD 1.10 – Appointments. No Fiscal Court records were found regarding the Commissioners' compensation.

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 CWD 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 CWD 1.12 – Employee Payroll Information

13. Using a table format, provide the regular hours and overtime hours for each employee identified in Corinth 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 CWD 1.12 – Employee Payroll 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 CWD 1.12 – Employee Payroll 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 Corinth District.
 - (2) Amount paid by each employee.
- b. Dental benefits cost for each employee.
 - (1) Amount paid by Corinth District.
 - (2) Amount paid by each employee.
- c. Vision benefits cost for each employee.
 - (1) Amount paid by Corinth District.
 - (2) Amount paid by each employee.
- d. Life insurance cost for each employee.
 - (1) Amount paid by Corinth District.
 - (2) Amount paid by each employee.
- e. Accidental death and disability benefits for each employee.
 - (1) Amount paid by Corinth District.
 - (2) Amount paid by each employee.
- f. Defined Contribution - 401(k) or similar plan cost for each employee.
Provide the amount paid by Corinth District.
- g. Defined Benefit Retirement cost for each employee.
 - (1) Amount paid by Corinth District.
 - (2) Amount paid by each employee.
- h. Cost of any other benefit available to an employee (specify).

Response: See file CWD 1.15 – Employee Benefit Information. The District does not offer benefits listed above in Items c, d, e, f, or h.

16. Provide a listing of all health care plan categories available to Corinth 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: All of the plan categories listed above are available to employees. Currently, only the single category is utilized.

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

Response: See file CWD 1.17 – New Meters (2019-2020-2021)

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

Response: See file CWD 1.17 – New Meters (2019-2020-2021)

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

Response: The account where tap-on fees are recorded is 432.01 – Customer Contributions – regular.

18. Identify the cost of the meters and services that Corinth 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: There are not “adjusting entries” for the labor costs because the District pays an outside vendor (Colson Contracting) directly for setting meters. There are adjusting entries to reclassify the supply costs used in setting each meter.

See files: CWD 1.18 – 2020 Capitalized Meters
CWD 1.18 – 2021 Capitalized Meters

19. Identify the labor Corinth 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: There is no District labor associated with new meters and services. That work is performed by an outside contractor. Also see the response to Item 18.

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

Response: The District did not adjust operating revenues and expenses for customers added during the test year.

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

Response: In 2018 the District moved their insurance from Farm Bureau to Liberty Mutual and saved almost \$700 per year. Each time the District needs supplies we have 5 vendors that we call to see which one has the best price before we order what is needed. Before we purchase tires or have a big expense pertaining to trucks, we always call around to get pricing. In 2020 the District refinanced a loan which saved over \$387,000 and reduced the number of years for payments.

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

Response: The depreciation schedule included with the application is produced and maintained in software that does not enable the user to download an Excel file.

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

Response: See PSC Case No. 2021-00465.