

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
NICHOLAS COUNTY WATER DISTRICT)	2021-00455

RESPONSE OF NICHOLAS COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S INITIAL REQUEST FOR
INFORMATION DATED JANUARY 18, 2022

**Nicholas County Water District
Case No. 2021-00455
Commission Staff's First Request for Information**

Witnesses: Monica Pryor (Items 1a - h, 5a - c, 6, 7)
David Foster (Items 2, 3, 4a - d, 8, 9a - d)

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 unprotected:

a. The general ledger and trial balance for the calendar years 2020, 2021, and 2022 to date: and the trial balance for the calendar years 2020, and 2021 to date.

Response: Nicholas District will file the missing documents in the next couple of days.

See file - 1a_General_Ledger_2020
1a_2020_TB

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

Response: See response to 1a.

c. General Liability Insurance policies for 2020, 2021, and the current period, if available.

Response: See file - 1c_Policy 20-21

d. A document detailing the names, job titles, job descriptions, and pay rates for each employee on December 31, 2019, December 31, 2020, December 31, 2021, and for those currently employed.

Response: See file - 1d_Employee_Info

e. 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: CERS Retirement, Health Insurance (Employee pays \$15 per week)

f. Minutes from Nicholas District commissioner meetings for the calendar years 2020 and the current period.

Response: See file - 1f_NCWD_board_minutes_2020
1f_NCWD_board_minutes_2021

g. 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 behalf of, each commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.).

Response: See file - 1g_NCWD_board_members

h. Fiscal court minutes approving each commissioner's appointment and compensation.

Response: Nicholas District could not locate these in their records. They are still waiting to see if the Fiscal Court is able to locate the records.

2. 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, rows, and columns fully accessible and unprotected.

Response: See file - 2_NCWD-_ATB_2020.xlsx

3. Refer to Nicholas District's Application, Attachment 5, References. Provide the workpapers used to generate the pro forma adjustments on the References page in Excel Spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: See file - 3_Pro_forma_Adjustments.xlsx

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

Response: Nicholas District does not know the last time a COSS was performed.

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

Response: Nicholas District did not consider performing a COSS, primarily because Nicholas District has had no material changes to its system that would warrant a COSS.

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

Response: There have been no material changes to Nicholas District's system that would warrant the need for a new COSS to be performed.

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

Response: A COSS would be appropriate if material changes in customer usage were to occur.

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

Response: No document exists.

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

Response: The District installed 16 new 5/8" x 3/4" meters in 2020.

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

Response: The District does not keep a record of labor and material expenses for installing new meter connections.

b. Separately state the amounts expensed to install each new meter during the test year.

Response: The District does not track individual meter connection expenses. The District records the total meter connection fee paid.

c. Provide revised cost justification sheets to support any changes to the Meter Connection/Tap-on Fee.

Response: The District is not requesting any changes to their Meter Connection/Tap-on fee.

6. Provide Nicholas District's nonrecurring charges, a schedule listing the number of occurrences during the test year for each of the charges, and the total dollar amount billed and the total dollar amount collected during the test year.

Response: See file - 6_adjustment2020

7. Refer to sheet 7 of the tariff currently on file with the Commission for Nicholas District. Provide updated cost justification sheets for each nonrecurring charge on this page to support each of the charges.

Response: As stated in response to 5c, the District is not requesting any changes to their nonrecurring charge fees. Nicholas County has attached files of the cost justification sheets they were able to locate.

See file - 7_2019_Disconnect_Charge_-_NCWD
7_2019_Meter_Test_-_NCWD
7_Service_Charge_After_Hours_NCWD
7_Service_Charge_NCWD

8. Refer to Nicholas District's Application, Attachment 1, Customer Notice. Nicholas 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 rate was chosen.

Response: There have been no material changes in the District's distribution system and customer usage patterns. As a result, the District believes that applying a uniform percentage across all customer classes is the appropriate action.

b. Provide a list of alternative methods Nicholas District considered and an explanation as to why each alternative was not chosen to increase its monthly water service rates.

Response: No alternative methods were considered.

9. Refer to Nicholas District's Application, Attachment 7, Billing Analysis.

a. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: See file - 9a_Billing_Analysis

b. Provide the source for the 2020 usage data presented in the Billing Analysis, and state whether any adjustments were made to the data.

Response: The District uses Ampstun billing software and that was the source of the data. No changes were made to the data.

c. Provide a list of any adjustments made to the data and include an explanation of each adjustment.

Response: No changes were made to the data.

d. Provide monthly billing registers for water customers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible for the calendar year 2020.

Response: See file - 9d_Usage_Reports_2020