

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

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
BRONSTON WATER ASSOCIATION, INC.	)	2022-00117

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RESPONSE OF BRONSTON WATER ASSOCIATION, INC.  
TO THE COMMISSION STAFF'S INITIAL REQUEST FOR  
INFORMATION DATED MAY 19, 2022





**Bronston Water Association, Inc.**  
**Case No. 2022-00117**  
**Commission Staff's First Request for Information**

**Witnesses:** Eric Keith #1a-b, #1e-l, #2-12, and #15d  
Robert K. Miller #1c-d, #1m, #13-15c, and #16

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 for the calendar years 2020, 2021, and 2022 to date; and the trial balance for the calendar years 2020, 2021, and 2022 to date.

**Response: See files 1a\_Trial\_Balance\_2020  
1a\_Trial\_Balance\_2021**

**The financial transactions for the current year are maintained on spreadsheets and submitted to the auditor at year-end. As a result, there is not a general ledger or trial balance available for 2022 to-date. The general ledger for 2020 and 2021 will be submitted by June 28, 2022.**

- b. Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years 2020, 2021, and 2022 to date.

**Response: See files 1a\_Trial\_Balance\_2020  
1a\_Trial\_Balance\_2020  
1b\_No-Audit\_Adjustments\_2020**

**There were no audit adjustments made for 2020. The audit for 2021 has not yet been completed. There has not been a Trial Balance prepared yet for 2022 to-date.**

- c. The schedule of notes and bonds payable on December 31, 2020; December 31, 2021; and the current period.

<b>Response:</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>5/31/2022</b>
<b>2003 Loan</b>	<b>\$324,183</b>	<b>\$315,597</b>	<b>\$315,597</b>
<b>2008 Loan</b>	<b>\$733,873</b>	<b>\$719,467</b>	<b>\$704,466</b>
<b>2010 Loan</b>	<b>\$397,140</b>	<b>\$388,094</b>	<b>\$388,094</b>
<b>2014 Loan</b>	<b>\$727,814</b>	<b>\$712,317</b>	<b>\$696,530</b>

2017 Loan	\$1,354,773	\$1,329,072	\$1,302,890
2021 Loan	\$0	\$0	\$555,000

- d. All debt agreements/bond ordinances and amortization schedules, including related party debt.

**Response: See files** 1d\_2003\_Loan\_Documents  
1d\_2008\_Loan\_Documents  
1d\_2010\_Loan\_Documents  
1d\_2014\_Loan\_Documents  
1d\_2017\_Loan\_Documents  
1d\_2021\_Loan\_Documents  
1d\_2003\_Loan\_Amortization  
1d\_2008\_Loan\_Amortization  
1d\_2010\_Loan\_Amortization  
1d\_2014\_Loan\_Amortization  
1d\_2017\_Loan\_Amortization  
1d\_2021\_Loan\_Amortization

- e. Insurance policies for 2020, 2021, and the current period, if available.

**Response: The insurance policies for 2020, 2021, and the current period will be submitted by June 29, 2022.**

- f. Hours worked by each employee for the calendar years 2020, 2021, and the current period.

**Response: The hours worked by each employee for the calendar years 2020, 2021, and the current period will be submitted by June 29, 2022.**

- g. A document listing the names, job titles, job description, and pay rates for each employee during the test year and for those currently employed.

**Response: A document listing the names, job titles, job description, and pay rates for each employee during the test year and for those currently employed will be submitted by June 29, 2022.**

- h. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

**Response: A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years will be submitted by June 29, 2022.**

- i. Minutes from Bronston Water’s commissioner meetings for the calendar years 2020, 2021, and 2022 to date.

**Response: Minutes from Bronston Water’s commissioner meetings for the calendar years 2020, 2021, and 2022 to date will be submitted by June 29, 2022.**

- j. 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.).

**Response: 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 will be submitted by June 29, 2022.**

- k. Fiscal Court minutes approving each commissioner’s appointment and compensation.

**Response: Fiscal Court does not appoint or approve compensation for commissioners for Bronston Water Association.**

- l. The most recently filed IRS Form 990.

**Response: The most recently file IRS Form 990 will be submitted by June 29, 2022.**

- m. Refer to the Application, Attachment 4, References. Provide all workpapers used to generate the proposed adjustments A–H.

**Response: See file 1m\_Rate\_Study Tab SAO Column O**

- 2. Provide a breakdown for the number of board meetings each commissioner attended during the test year.

**Response: A breakdown for the number of board meetings each commissioner attended during the test year will be submitted by June 29, 2022.**

- 3. Provide the number of occurrences and revenues collected for late fees assessed 2017, 2018, 2019, and during the test year.

**Response:**

Year	Occurrences	Revenues
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<b>2017</b>	<b>4,402</b>	<b>\$15,715.65</b>
<b>2018</b>	<b>4,274</b>	<b>\$15,485.61</b>
<b>2019</b>	<b>3,723</b>	<b>\$15,063.98</b>
<b>2020</b>	<b>953</b>	<b>\$ 3,334.38</b>
<b>2021</b>	<b>3,175</b>	<b>\$12,549.00</b>

4. Provide a copy of the most recent invoice received for all insurance policies provided to Employees.

**Response: See file 4\_Insurance\_Invoice**

5. Provide a monthly breakdown in both gallons and dollar amount, of water purchased during the test year, identifying all vendors from whom Bronston Water purchased water.

**Response: See file 5\_Water\_Purchased**

6. Provide the current rate charged by each vendor from whom Bronston Water purchases water.

**Response: See file 6\_Purchased\_Water\_Rate**

7. 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. If the revenue for any nonrecurring charge was zero, include that charge and indicate that zero revenue was received.

<b>Response:</b>	<b>Non-Recurring Charge</b>	<b>Occurrences</b>	<b>Amount</b>
	Connection/Turn-On Charge	21	\$630.00
	Field Collection Charge	0	\$0.00
	Late Payment Charge	53	\$3,334.38
	Meter Relocation Charge	0	\$0.00
	Meter Re-read Charge	0	\$0.00
	Meter Test Charge	0	\$0.00
	Re-connection Charge	26	\$1,300.00
	Meter Re-set Charge	27	\$2,020.00
	Returned Check Charge	7	\$210.00
	Service Call/Investigation	0	\$0.00
	Service Line Inspection	0	<u>\$0.00</u>
			<b>\$7,494.38</b>
	Memberships	110	\$2,200.00
	Deposits	83	\$22,016.23
	Tap On Fee	25	\$18,750.00

8. Provide the current cost justification forms for all nonrecurring charges listed in Bronston Water's tariff.

**Response: Current cost justification forms for all nonrecurring charges listed in Bronston Water's tariff will be submitted by June 29, 2022.**

9. Provide the rate for each nonrecurring charge collected in the test year and the rate for all nonrecurring charges contained in Bronston Water's tariff.

**Response: See file 9\_Non-recurring\_Charges**

10. Provide an overview of any actions planned or taken by Bronston Water to reduce its water loss, including any water loss reduction plan.

**Response: We have installed 42 check meter that are read daily for increased usage in the area. If usage is up in an area, we can read all the meters on that check meter to determine if it is a customer's leak or the Association's leak.**

**We have changed out all meters older than 2018 and are preparing to purchase 1900 new updated radio read meters.**

**We have a profile submitted to replace 48,000' of our oldest water lines.**

11. Identify the number of new water connections that Bronston Water installed in calendar year 2020.

**Response: There were 24 new water connections in 2020.**

12. Provide the amount of labor and materials recorded for each new water connection used during calendar year 2020.

**Response: See file 12\_Meter\_Set\_Labor\_&\_Materials**

13. Refer to Application, Attachment 8. For each outstanding debt issuance still active; provide the case number in which Bronston Water was authorizes to issue the debt.

<b>Response:</b>	<b>Debt Issue</b>	<b>Case Number</b>
	<b>2003 Loan</b>	<b>2003-00193</b>
	<b>2008 Loan</b>	<b>2007-00545</b>
	<b>2010 Loan</b>	<b>2010-00372</b>
	<b>2014 Loan</b>	<b>2014-00029</b>
	<b>2017 Loan</b>	<b>2017-00138</b>



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

**Response: Bronston Water was unable to identify the last time a full cost of service study was performed. Bronston Water most recently submitted an Alternative Rate Filing in 2003.**

- b. Explain whether any material changes to Bronston Water’s system has occurred that would cause a new COSS to be prepared since the date of Bronston Water’s most recent COSS.

**Response: There have been no material changes to Bronston Water’s system since the last time it completed a COSS.**

- c. If there have been no material changes to Bronston Water’s system, explain when Bronston Water anticipates completing a new COSS.

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

15. Refer to Bronston Water’s Application, Attachment 5, Current Billing Analysis.

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

**Response: See file 15a\_Billing\_Analysis**

**Yes, adjustments were made to the data.**

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

**Response:**

- i. The data was converted into a Microsoft Excel spreadsheet.**
- ii. Entries for Rate Code 4.17 PER HYDRANT W04 were removed.**
- iii. Entries for Rate Code WATER OFFICE OFF were removed.**
- iv. Total revenue was reduced by \$3,368 for leak adjustments**  
**See file 15b\_Adjustments**

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

**Response: See file 15c\_Usage\_Breakdown\_By\_Units**

- 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 files**

- 15d\_Billing\_Register\_01-20**
- 15d\_Billing\_Register\_02-20**
- 15d\_Billing\_Register\_03-20**
- 15d\_Billing\_Register\_04-20**
- 15d\_Billing\_Register\_05-20**
- 15d\_Billing\_Register\_06-20**
- 15d\_Billing\_Register\_07-20**
- 15d\_Billing\_Register\_08-20**
- 15d\_Billing\_Register\_09-20**
- 15d\_Billing\_Register\_10-20**
- 15d\_Billing\_Register\_11-20**
- 15d\_Billing\_Register\_12-20**

16. Refer to Bronston Water's Customer Notice. Bronston Water 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 increase method to increase monthly water service rates was chosen.

**Response: There have been no significant changes in the distribution of the Association's customer usage in many years. Therefore, the Association 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 Bronston Water 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.**