

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

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

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

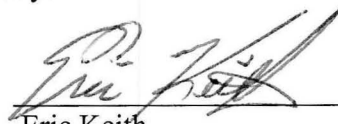
In the Matter of:

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


VERIFICATION OF ERIC KEITH

COMMONWEALTH OF KENTUCKY)
COUNTY OF Wayne)

Eric Keith, President of Bronston Water Association, Inc., 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 her knowledge, information and belief, formed after reasonable inquiry.


Eric Keith

The foregoing Verification was signed, acknowledged and sworn to before me this 14th day of June, 2022, by Eric Keith.


Commission expiration: Oct. 30, 2025

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

VERIFICATION OF ROBERT K. MILLER

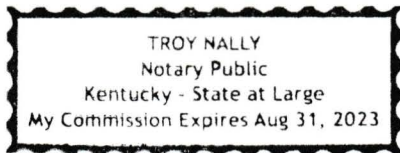
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

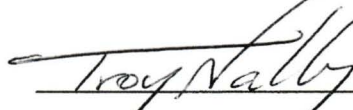
Robert K. Miller, Kentucky Rural Water Association on behalf of Bronston Water Association, Inc, states that he has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Robert K. Miller

The foregoing Verification was signed, acknowledged and sworn to before me this 10 day of June, 2022, by Robert K. Miller.



 628838
Commission expiration: Aug 31, 2023

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_General_Ledger_2020
1a_General_Ledger_2021
1a_General_Ledger_2022
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 trial balance available for 2022 to-date.

- 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_2021
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.

Response:	12/31/2020	12/31/2021	5/31/2022
2003 Loan	\$324,183	\$315,597	\$315,597
2008 Loan	\$733,873	\$719,467	\$704,466

2010 Loan	\$397,140	\$388,094	\$388,094
2014 Loan	\$727,814	\$712,317	\$696,530
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: See files 1e_Insurance_Policy_2020
1e_Insurance_Policy_2021
1e_Insurance_Policy_2022

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

Response: See files 1f_Employee_Hours_Worked

- 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: See files 1g_Job_Descriptions_and_Pay_2020
1g_Job_Descriptions_and_Pay_2021
1g_Job_Descriptions_and_Pay_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: See file 1h_Employee_Benefits

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

**Response: See files 1i_Minutes_2020
1i_Minutes_2021
1i_Minutes_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: See file 1j_Directors_Compensation

- 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: See file 1l_IRS_Form_990

- 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: See file 2_Directors_Attendance

- 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
	2017	4,402	\$15,715.65
	2018	4,274	\$15,485.61
	2019	3,723	\$15,063.98
	2020	953	\$ 3,334.38

2021 3,175 \$12,549.00

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.

Response:	Non-Recurring Charge	Occurrences	Amount
	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>
			\$7,494.38
	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: See file 8_Cost_Justifications

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: Bronston Water's tariff currently includes these nonrecurring charges:

1.	Connection/Turn-On Charge	\$30.00
2.	Field Collection Charge	\$15.00
3.	Meter Relocation Charge	Actual Cost
4.	Meter Re-read Charge	\$15.00
5.	Meter Test Charge	\$65.00
6.	Re-connection Charge	\$50.00
7.	Meter Re-set Charge	\$75.00
8.	Returned Check Charge	\$30.00
9.	Service Call/Investigation	\$15.00
10.	Service Line Inspection	\$40.00

Bronston Water no longer performs items 2, 4, and 10 and requests that these items be removed from their tariff. Updated cost justification forms have been prepared for the remaining seven items.

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.

Response:	Debt Issue	Case Number
	2003 Loan	2003-00193
	2008 Loan	2007-00545
	2010 Loan	2010-00372
	2014 Loan	2014-00029
	2017 Loan	2017-00138
	2021 Loan	2020-00416

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.