

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
WEST LAUREL WATER ASSOCIATION, INC.)	2022-00120

RESPONSE OF WEST LAUREL WATER ASSOCIATION, INC.
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED MAY 2, 2022

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

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
WEST LAUREL WATER ASSOCIATION, INC.)	2022-00120

VERIFICATION OF DEWAYNE LEWIS


COMMONWEALTH OF KENTUCKY)
)
COUNTY OF LAUREL)

Dewayne Lewis, Manager of West Laurel 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.



Dewayne Lewis

The foregoing Verification was signed, acknowledged, and sworn to before me this 02 day of June 2022, by Dewayne Lewis.



TETON J. NAPIER

Commission expiration: OCTOBER 28, 2023



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
WEST LAUREL WATER ASSOCIATION, INC.)	2022-00120

VERIFICATION OF ALAN VILINES

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF WARREN)

Alan Vilines, Kentucky Rural Water Association on behalf of West Laurel 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.

Alan Vilines
 Alan Vilines

The foregoing Verification was signed, acknowledged, and sworn to before me this 2nd day of June 2022, by Alan Vilines.

John A. Wilkins
 Commission expiration: 6/17/25

John A. Wilkins
 Notary Public
 Kentucky, State at Large
 Notary ID KY0931703
 My Commission Expires June 17, 2025



West Laurel Water Association, Inc.
Case No. 2022-00120
Commission Staff's First Request for Information

Witnesses: Dewayne Lewis (Items 1 – 3, 5 – 7, 9.d and 9.e)
Alan Vilines (Items 4, 8, 9.a, 9.b, 9.c and 10)

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 WL1 1.a-General Ledger 2020
WL1 1.a-General Ledger 2021

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

Response: See files WL1 1.b-Trial Balance 2020
WL1 1.b-Trial Balance 2021

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

Response: See file WL1 1.c-Insurance Policy

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: West Laurel has no employees, only Directors. See Item 1.i.

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: Not applicable.

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: Not applicable.

g. State whether West Laurel Water 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: Not applicable.

h. Minutes from West Laurel Water commissioner meetings for the calendar years 2020 and the current period;

Response: See file WL1 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 WL1 1.i-Directors Salaries

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

Response: Fiscal Court does not appoint association Directors.
See file WL1 1.j-Annual Meeting Minutes

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, columns, and rows unprotected and fully accessible.

Response: See file WL1 2-Trial Balance 2020

3. Refer to West Laurel Water’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. of the case in which it was authorized by the Public Service Commission.

Response:

<u>Date</u>	<u>Lender</u>	<u>Loan Amount</u>	<u>PSC Case No.</u>	<u>Purpose</u>
09/26/88	USDA	500,000	9960	Water System Improvements
09/26/88	USDA	153,000	9960	Water System Improvements
10/11/95	USDA	516,000	95-368	Water System Improvements
07/23/02	USDA	1,536,000	2002-00203	Water System Impr. w/ 1 MG Tank
02/23/18	USDA	1,260,000	2017-00473	Water System Improvements

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

Response: The last COSS was performed in 2006 by the Public Service Commission Staff in Case No. 2005-00477.

a. Explain whether West Laurel Water considered filing a COSS with the current rate application and the reasoning for not filing one;

Response: A new COSS was not considered. Since there have been no material changes to customer usage patterns a COSS was not deemed necessary.

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

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

c. If there have been no material changes to the West Laurel Water's system, explain when West Laurel Water anticipates completing a new COSS; and

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 West Laurel Water's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: The last COSS is included in the record of Case No. 2005-00477, Order dated March 22, 2006. An Excel spreadsheet is not available.

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

Response: There were 72 5/8 x 3/4" meters and one 1" meter installed.

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

Response: Total labor and materials expense was \$62,552.65 as recorded in accounts 333-40 and 334-40.

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

Response: Separate amounts for each meter are not recorded.

c. Provide copies of the cost justification sheets West Laurel Water filed with the Commission to support its \$907 Meter Connection/Tap-on Fee.

Response: See file WL1 5.c-Meter Cost Justification
The tap fee is \$530, not \$907.

6. Provide West Laurel Water’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:

	<u>Charge</u>	<u>Occurances</u>	<u>Totals</u>
Reconnection	40.00	655	\$ 26,200.00
Reconnection After Hours	80.00	-	-
5/8" Meter	530.00	72	38,160.00
1" Meter	Actual Cost	1	1,200.00
Returned Check Charge	25.00	31	775.00
Meter Test	25.00	-	-
Service Charge	40.00	-	-
Service Line Inspection	20.00	-	-

7. Refer to the tariff currently on file with the Commission for West Laurel Water. Provide copies of the cost justification sheets West Laurel Water filed with the Commission to support each nonrecurring charge. If West Laurel Water is unable to locate the cost justification sheets filed with the Commission provide updated ones.

Response: See file WL1 7-Cost Justifications Nonrec Charges

8. Refer to West Laurel Water’s Customer Notice. West Laurel 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 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, West Laurel considered 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 West Laurel 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.

9. Refer to West Laurel Water's Application, Attachment 5, Billing Analysis.
- a. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible;

Response: See File WL1 9.a - Billing Analysis

- b. 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 WL1 9.b – Billing Analysis Data

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

Response: No adjustments were made to the data provided.

- 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; and

Response: See files WL1 9.d-(jan – dec) 2020 billingregister
(total of 12 files)

- e. Provide an explanation for the wholesale rate of \$156.54 when West Laurel Water's current tariff shows a wholesale rate of \$6.13 per 1,000 gallons.

Response: In 2020 West Laurel did not sell any water at the wholesale rate, but Cumberland Falls Water District paid the monthly minimum bill for a 2-Inch meter.

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

Response: West Laurel Water's debt instruments do not require a set debt coverage ratio.