

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

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
ELKHORN WATER DISTRICT	)	2022-00124

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RESPONSE OF ELKHORN WATER DISTRICT  
TO THE COMMISSION STAFF'S FIRST 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.  
ELKHORN WATER DISTRICT ) 2022-00124

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**VERIFICATION OF NANCY SHERROW**


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COMMONWEALTH OF KENTUCKY )  
COUNTY OF Franklin )

Nancy Sherrow, Office Manager of Elkhorn 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.

  
\_\_\_\_\_  
Nancy Sherrow

The foregoing Verification was signed, acknowledged, and sworn to before me this 21st day of June 2022, by Nancy Sherrow.

  
\_\_\_\_\_  
Justice at Large  
Commission expiration: July 22, 2022  
ID # 603599



**Elkhorn Water District**  
**Case No. 2022-00124**  
**Commission Staff's First Request for Information**

**Witnesses:** Nancy Sherrow (Items 1.a – 1.e and 2 – 11)  
Alan Vilines (Items 1.f, 12 and 13)

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 EWD1 1.a – General Ledger 2020  
EWD1 1.a – General Ledger 2021  
EWD1 1.a – General Ledger 2022 to date  
EWD1 1.a – Trial Balance 2020  
EWD1 1.a – Trial Balance 2021  
EWD1 1.a – Trial Balance 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 1.a above. There were no adjustments in these years.

c. Minutes from Elkhorn District's commissioner meetings for the calendar years 2020 and 2021, and 2022 year to date

**Response:** See file EWD1 1.c – 2020 Minutes  
EWD1 1.c – 2021 Minutes  
EWD1 1.c – 2022 Minutes

d. 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 EWD1 1.d – Commissioners and Salaries

e. Fiscal Court minutes approving each commissioner's appointment and compensation.

**Response:** See file EWD1 1.e – Commissioners Appointments

f. Refer to the Application, Attachment 4, References. Provide all workpapers used to generate the proposed adjustments A–G.

**Response:** See file EWD1 1.f - Adjustments

2. a. Confirm that Elkhorn District does not currently employ any employees.

**Response:** Elkhorn Water District does not employ any employees.

b. If confirmed, explain how the duties and responsibilities of Elkhorn District are completed.

**Response:** The office staff at Peaks Mill Water District performs all administrative duties for Elkhorn Water District. Gatewood Water Service handles all service requests, including installation of meters, reading meters, etc.

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

**Response:**

	<u>No. of Occurances</u>	<u>Total Amount</u>
2017	1,287	5,369.22
2018	1,089	4,269.19
2019	830	2,983.77
2020	121	391.04

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

**Response:** Mike Dudgeon: 7 – resigned 8/11/2020  
Brad Gregory: 4 – effective 8/27/2020  
Abner Lipps: 11  
Steve Mika: 11  
There was no April board meeting due to Covid.

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

**Response:**

	<u>Cost</u>	<u>Gallons</u>
January	\$ 12,419.90	4,609,300
February	14,959.42	5,267,400
March	10,603.15	3,733,500
April	13,770.02	4,848,600
May	14,975.32	5,273,000
June	14,071.63	4,954,800
July	15,216.72	5,358,000
August	20,591.14	7,250,400
September	16,328.30	5,749,400
October	17,925.23	6,311,700
November	13,438.60	4,731,900
December	12,889.35	4,538,500

6. Provide the current rate charged by each vendor from whom Elkhorn District purchases water.

**Response:** All water is purchased from Frankfort Plant Board at \$2.64 per 1,000 gallons.

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:**

	<u>Charge</u>	<u>No. of Occurances</u>	<u>Total Amount</u>
Returned Check Charge	25.00	5	125.00
Late Payment Charge	10%	121	391.04
Service Call/Investigation	65.00	0	-
Service Line Inspection	50.00	0	-
Service Reconnection	50.00	7	350.00
Meter Relocation Charge	actual cost	0	-
Meter Reread Charge	25.00	0	-
Meter Test Charge	75.00	0	-
Transfer Fee	25.00	31	775.00

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

**Response:** See file EWD1 8 – Cost Justifications

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

**Response:** The District is requesting this rate increase partly to provide revenue for the debt service on a loan for infrastructure improvements such as replacement of a deteriorated, leaking water main. The loan is also to replace aged, inaccurate, manual meters. The new auto read meters will allow us to accurately record water usage and calculate losses.

10. Identify the number of new water connections that Elkhorn District installed in calendar year 2020.

**Response:** Three 5/8" meters and one 1" meter were installed.

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

**Response:** Three 5/8" meters at \$1,030 each and one 1" meter at \$1,310.

12. Refer to Application, Attachment 8. For each outstanding debt issuance still active, provide the case number in which Elkhorn District was authorized to issue the debt.

**Response:** RD Loan – Case No. 1993-00141  
KIA Loan – Case No. 2020-00113

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

**Response:** A search of available records did not locate a COSS.

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

**Response:** There have been no material changes to the District's system that would cause a new COSS to be prepared.

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

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