

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE UTILITY)	
COMMISSION OF THE CITY OF LONDON)	CASE NO.
REVISING ISTS WHOLESALE WASTEWATER)	2022-00126
SERVICE RATES)	<i>ELECTRONICALLY</i>
		<i>FILED</i>

**RESPONSE TO COMMISSION STAFF’S FIRST REQUEST FOR
INFORMATION TO THE CITY OF LONDON**

Comes now, by and through counsel, the London Utility Commission for its Response to Commission Staff’s First Request for Information to the City of London.

Request 1: Provide a copy of the audited financial statements for the London Utility Commission for the years ended June 30, 2020, and 2021.

Response: Please see attached.

Request 2: Provide a copy of the cost of service study (COSS), if any, upon which the proposed rate is based in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: Excel Spreadsheet titled “LUC Annual Cost Calculations” is attached for PSC review. This spreadsheet lists the monthly flow in gallons of wastewater treated annually (2021) by LUC’s treatment facility and the monthly flow in gallons received from all connection points with Wood Creek Water District. Also included in this spreadsheet are all current LUC costs associated with the collection and treatment of sanitary sewer, annual wastewater debt services and LUC’s cost to treat all wastewater per 1,000 gallons. Also included in this spreadsheet are costs per 1,000 associated with the upcoming Wastewater Treatment Plant Expansion project and

the Highway 192 Pump Station expansion project. The HWY 192 PS expansion project is included because this is the pump station that receives flow from Wood Creek Water District.

Request 3: a. If the COSS has not been performed, described how London determined the proposed wholesale rate and state who participated in the determination. Provide all supporting documentation for the proposed rate.

Response: Once the HWY 192 Pump Station expansion project and the Wastewater Treatment Plant Expansion project are in place, LUC's cost per 1,000 gallons will be \$4.57. Wood Creek Water Districts annual wastewater flow comprises of 9.39% of LUC's annual wastewater treated. Therefore, the Utility Commission requests that Wood Creek only cost share 9.39% of the debt service. Both projects are estimated to cost \$13,537,825. Therefore, the total cost of debt services associated with Wood Creeks wastewater is estimated to be \$1,271,201. Using the wholesale rate calculation determined by City of London Ordinance 2009-06 (Included as an attachment) the wholesale rate should be calculated as follows: $\text{Annual OM\&R} + \text{Debt Services} / \text{Wastewater Treated Annually @WWTP (1,000 gallons)} = \text{Total Wholesale Rate per 1,000}$. Therefore: $\$3,844,425$ (annual OM&R expense) + $\$771,898$ (Current Debt Services) + $\$63,560$ (upcoming debt annual debt service *.0939) / $1,156,426$ (Wastewater Treated Annually/1,000 gallons) = $\$4.04$ The remaining $\$0.36$ per 1,000 gallons is being requested by the Commission as an additional service fee to be used to offset the degradation of the collection system caused by high volumes of H₂S that enter the system from Wood Creeks Wastewater flow. This includes the re-lining/replacement of manholes, pump station maintenance, chemicals purchased to combat the H₂S and, collection line repair/replacements needed to convey Wood Creeks wastewater to the plant.

b. Describe in detail how costs (including operating and maintenance, administration, and payments in lieu of taxes, if any) are allocated between water and wastewater operations. Provide a copy of the allocation calculations in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: The London Utility Commission maintains separate financial documentation (including annual budget) for water/sewer. Being a service provider, financial allocations are expense driven, so there are no formal allocation calculations in place. All costs associated with water and sewer services are separately tracked and maintained.

Respectfully submitted,

/s/ Larry G. Bryson
LARRY G. BRYSON
318 W. Dixie Street
London, KY 40741
(606) 878-7123
(606) 864-8418 (fax)
Email: lgbryson@windstream.net
Counsel for London Utility Commission

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing is a true and accurate copy of the document is being filed electronically to the Commission on this date and there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

Original:
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

This the 31st day of May, 2022.

/s/ Larry G. Bryson
LARRY G. BRYSON