

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

**In the Matter of:**

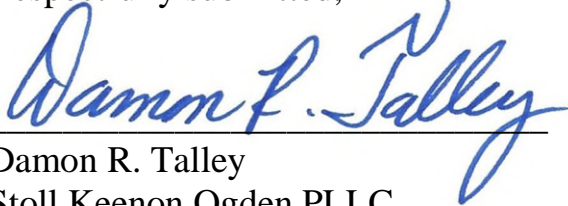
**ELECTRONIC APPLICATION OF )  
WOOD CREEK WATER DISTRICT ) CASE NO. 2022-00145  
FOR ADJUSTMENT OF RATES )**

**RESPONSE OF WOOD CREEK WATER DISTRICT  
TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

Wood Creek Water District submits its Response to the Commission Staff's  
Third Request for Information.

Dated: October 10, 2022

Respectfully submitted,




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*Counsel for Wood Creek Water District*

## CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on October 10, 2022 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding

  
\_\_\_\_\_  
*Counsel for Wood Creek Water District*

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**FILED: October 10, 2022**

VERIFICATION

COMMONWEALTH OF KENTUCKY )

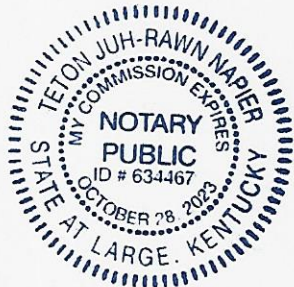
) SS:


COUNTY OF LAUREL )

The undersigned, Dewayne Lewis, being duly sworn, deposes and states that he is the Office Manager of Wood Creek Water District; he has personal knowledge of the matters set forth in the responses for which he is identified as the witness; and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
Dewayne Lewis

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10 day of October 2022.



  
\_\_\_\_\_  
(SEAL)  
Notary Public

My Commission Expires: 10/28/2023

Notary ID: 634467

**WOOD CREEK WATER DISTRICT**

**Response to Commission Staff's Third Request for Information  
Case No. 2022-00145**

Question No. 1

Responding Witness: Dewayne Lewis

- Q-1. Refer to Wood Creek District's tariff, 5th revised Sheet No. 1.**
- a. Provide cost justification for the meter-testing charge of \$25.00.**
  - b. Provide cost justification for the reconnection of water service charge.**
- A-1. See Attachment 1. The costs shown reflect the current cost to provide the listed services.

**NONRECURRING CHARGE COST JUSTIFICATION**Type of Charge: Meter Test

## 1. Field Expense:

## A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

## B. Labor (Time and Wage)

<u>2hr @ 33.25/hr</u>	<u>66.50</u>
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<b>Total Field Expense</b>	<b>\$ <u>66.50</u></b>
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## 2. Clerical and Office Expense

A. Supplies	\$ _____
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B. Labor	_____
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<b>Total Clerical and Office Expense</b>	<b>\$ <u>0.00</u></b>
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## 3. Miscellaneous Expense

A. Transportation	\$ <u>18.00</u>
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## B. Other (Itemize)

_____	_____
_____	_____
_____	_____

<b>Total Miscellaneous Expense</b>	<b>\$ <u>18.00</u></b>
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<b>Total Nonrecurring Charge Expense</b>	<b>\$ <u>84.50</u></b>
--	------------------------

**85.00**

**NONRECURRING CHARGE COST JUSTIFICATION**Type of Charge: Reconnection/Service Call/Inspection

## 1. Field Expense:

## A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

## B. Labor (Time and Wage)

<u>1hr @ 33.25 /hr</u>	<u>33.25</u>
------------------------	--------------

<b>Total Field Expense</b>	<b>\$ <u>33.25</u></b>
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## 2. Clerical and Office Expense

A. Supplies	\$ _____
-------------	----------

B. Labor	_____
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<b>Total Clerical and Office Expense</b>	<b>\$ <u>0.00</u></b>
--	-----------------------

## 3. Miscellaneous Expense

A. Transportation	\$ <u>18.00</u>
-------------------	-----------------

## B. Other (Itemize)

_____	_____
_____	_____
_____	_____

<b>Total Miscellaneous Expense</b>	<b>\$ <u>18.00</u></b>
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<b>Total Nonrecurring Charge Expense</b>	<b>\$ <u>51.25</u></b>
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**51.00**

# WOOD CREEK WATER DISTRICT

## Response to Commission Staff's Third Request for Information Case No. 2022-00145

Question No. 2

Responding Witness: Dewayne Lewis

**Q-2. Refer to Wood Creek District's response to Commission Staff's Second Request for Information, Item 1. Provide the number of times late fees were collected and revenues collected for late fees assessed in 2021.**

Q-2. See the table below.

<b>Month</b>	<b>Number of Occurrences</b>	<b>Revenue Connected</b>
December 2021	1492	\$ 5,362.20
November 2021	1500	5,403.43
October 2021	1499	5,819.20
September 2021	1587	6,765.76
August 2021	1748	7,063.14
July 2021	1501	6,041.94
June 2021	1498	5,564.23
May 2021	1445	5,574.30
April 2021	1537	5,342.05
March 2021	0	0.00
February 2021	0	0.00
January 2021	0	0.00
<b>Total</b>	<b>13,807</b>	<b>\$52,936.25</b>



# WOOD CREEK WATER DISTRICT

## Response to Commission Staff's Third Request for Information Case No. 2022-00145

Question No. 3

Responding Witness: Dewayne Lewis

**Q-3. Provide the total amount collected for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was assessed during 2021. If the revenue for any nonrecurring charge was zero, include that charge and indicate that zero revenue was received.**

A-3. See table below.

<b>Charge</b>	<b>Number of occurrences</b>	<b>Revenue</b>
Reconnection	1,047	\$41,880
Reconnection (After Hours)	0	\$ 0
Returned Check	38	\$ 950
Meter Retest	0	\$ 0
Additional Trip	0	\$ 0
Tap-on -5/8-inch Meter	95	\$50,350
Tap-on – 1-Inch Meter	2	\$ 2,400
Service Line Inspection	0	\$ 0

# WOOD CREEK WATER DISTRICT

## Response to Commission Staff's Third Request for Information Case No. 2022-00145

Question No. 4

Responding Witness: Dewayne Lewis

**Q-4. Provide a calculation of rate base for Wood Creek District. Using this rate base, provide a reconciliation of rate base to capitalization.**

A-4. See Attachment 4.

Please note that Kentucky courts have long recognized that a return on rate base approach is not employed to determine the reasonableness of a water district's proposed rate adjustment. In *Public Service Commission v. Dewitt Water District*, 720 S.W.2d 725, 731 (Ky. 1986), the Kentucky Supreme Court stated:

It is important to remember that this case involves water districts which are nonprofit utilities organized under Chapter 74 of the Kentucky Revised Statutes. The owners and consuming ratepayers are essentially the same individuals because the districts are political subdivisions of county government. They have no private capital and no corporate investors who must be satisfied as to traditional profits. **Their rates do not generate a return on rate base. The water districts are permitted to earn net revenues based on a debt service formula or on an operating ratio computed in accordance with a percentage of operating expenses** [emphasis added].

### Capital Structure as of December 31, 2021

Description	December 31, 2021	Capital Structure
<b>EQUITY CAPITAL</b>		
Retained Earnings from Income before contributions	(\$ 4,019,793)	
Donated Capital	<u>\$12,914,281</u>	
<b>Total Equity Capital</b>	<u>\$ 8,894,488</u>	38.43%
<b>Long-Term Capital Debt</b>		
Revenue Bonds (Rural Development)		
Bond Issue 91-13 (4.25% Interest)	\$ 5,793,000	
Bond Issue 91-16 (4.25% Interest)	\$ 577,000	
Bond Issue 91-21 (1.75% Interest)	\$ 2,942,000	
KRWFC Assistance Agreements		
Series 2005B (4.09% Interest)	\$ 1,889,000	
Series 2007A (4.09% Interest)	\$ 1,378,000	
Series 2015B (4.09% Interest)	<u>\$ 1,670,000</u>	
<b>Total Debt</b>	<u>\$14,249,000</u>	61.57%
<b>TOTAL CAPITALIZATION</b>	<u><b>\$23,143,488</b></u>	<b>100.00%</b>

**Rate Base as of December 31, 2021**

<b>Description</b>	<b>December 31, 2020</b>
Gross Plant in Service	\$47,294,531
Accumulated Depreciation	<u>(\$20,424,139)</u>
Net Plant in Service	<u>\$26,870,392</u>
<b>TOTAL RATE BASE</b>	<b><u>\$26,870,392</u></b>

## Reconciliation of Rate Base to Capital Structure

Description	December 31, 2021
Gross Plant in Service	\$47,294,531
Accumulated Depreciation	<u>(\$20,424,139)</u>
Net Plant in Service	<u>\$26,870,392</u>
 TOTAL RATE BASE	 \$26,870,392
 Assets Not in Rate Base	
Cash	\$ 1,231,640
Temporary Cash Investments	\$ 251,669
Accounts and Notes Receivable	\$ 916,558
Materials and Supplies	\$ 1,331,177
Prepayments	\$ 4,542
Unamortized Debt Discount & Expense	\$ 17,271
Misc. Deferred Debits	<u>\$ 2,252,424</u>
Total	\$ 6,005,281
 Liabilities/Credits Not in Rate Base	
Pension Liability	(\$ 8,622,355)
Current & Accrued Liabilities	(\$ 585,694)
Deferred Credits	(\$ 524,136)
	(\$ 9,732,185)
 <b>Total Capitalization</b>	 <b><u>\$23,143,488</u></b>