

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

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
NORTHEAST WOODFORD COUNTY WATER DISTRICT	)	2022-00221

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RESPONSE OF NORTHEAST WOODFORD COUNTY WATER DISTRICT  
TO THE COMMISSION STAFF'S INITIAL REQUEST FOR  
INFORMATION DATED AUGUST 16, 2022





**Northeast Woodford County Water District  
Case No. 2022-00221  
Commission Staff's First Request for Information**

**Witnesses:** Mary Routh #1a-e, #2-10, #13, #18d  
Robert K. Miller #1f, #11-12, #14-18c, #18e-20

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 2021 and 2022 to date; and the trial balance for the calendar years 2021 and 2022 to date.

**Response: See files      1a 2021 General Ledger  
   1a 2021 Trial Balance**

**Northeast Woodford District has not prepared a general ledger or trial balance for 2022 to date. Northeast Woodford District prepares a spreadsheet of Operations and Maintenance Expenses during the year.**

**See file      1a 2022 Operations and Maintenance Expenses**

- b. Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years 2021 and 2022 to date.

**Response: Northeast Woodford District has not prepared a trial balance for 2022 to date.**

**See file      1a 2021 Trial Balance**

- c. Minutes from Northeast Woodford District's commissioner meetings for the calendar years 2020, 2021, and the current period.

**Response: See files      1c 2020 Minutes  
   1c 2021 Minutes  
   1c 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 1d Commissioners Compensation**

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

**Response: See file 1e Fiscal Court Minutes**

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

**Response: See file 1f Rate Study 2021 Tab SAO**

- 2. Provide a list of the number of occurrences and annual dollar amounts of late fees assessed for the calendar years ended December 31, 2017, 2018, 2019, 2020, and 2021.

<b>Response: Year</b>	<b>Occurrences</b>	<b>Amount Assessed</b>
<b>2017</b>	<b>2,677</b>	<b>\$13,635.44</b>
<b>2018</b>	<b>2,622</b>	<b>\$16,583.86</b>
<b>2019</b>	<b>2,346</b>	<b>\$12,909.95</b>
<b>2020</b>	<b>805</b>	<b>\$ 4,848.61</b>
<b>2021</b>	<b>2,261</b>	<b>\$11,202.78</b>

- 3. 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.

<b>Response:</b>	<b>Occurrences</b>	<b>Amount Collected</b>
<b>Reconnection Fee</b>	<b>37</b>	<b>\$2,590.00</b>
<b>Returned Check Fee</b>	<b>0</b>	<b>\$ 0.00</b>
<b>Meter Deposits</b>	<b>67</b>	<b>\$1,783.54</b>

- 4. Provide updated cost justification information for all nonrecurring charges listed in Northeast Woodford District's tariff.

**Response: See files**

- 4 Reconnection Fee Cost Justification**
- 4 Returned Check Fee Cost Justification**
- 4 Meter Deposit Justification**
- 4 58X34 Inch Meter Connection Fee Justification**
- 4 1 Inch Meter Connection Fee Justification**

5. Provide the number of new water connections separately stated by meter size that Northeast Woodford District installed during the test year.

**Response: Northeast Woodford District installed three 1” meters in 2021.**

6. a. Confirm Northeast Woodford District does not currently employ any employees.

**Response: Northeast Woodford District does not employ any employees.**

- b. If confirmed, explain how the duties and responsibilities of Northeast Woodford District are completed.

**Response: Northeast Woodford District contracts out all labor required to perform the duties and responsibilities of the District.**

**Dale Gatewood of Gatewood Water Service performs operations and maintenance of the distribution system.**

**Fred Faust of Fred Faust Insurance performs billing and collecting of customer accounts.**

**Sandy Broughman of Warner A Broughman III & Associates performs engineering design and construction management.**

**Rachel Short of RFH CPAs & Consultants performs financial accounting services.**

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

**Response: See file 7 Commissioners 2021 Meeting Attendance**

**All commissioners attended all meetings in 2021.**

8. Provide a monthly breakdown in both gallons and dollar amount, of water purchased during the test year by vendor, identifying all vendors from whom Northeast Woodford District purchased water.

**Response: See file 8 Monthly Water Purchases**

9. Provide the current rate charged by each vendor from whom Northeast Woodford District purchases water.

**Response: See file 9 Water Suppliers and Rates  
Versailles Municipal Utilities \$2.42 / thousand gallons**

**Frankfort Water Plant Board     \$2.91 / thousand gallons**

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

**Response: See file     10 Action Plan for Water Loss**

11. Refer to the Application, Attachment 4, Table B, Debt Service Schedule. Confirm the Interest Expense calculation of \$13,582 is the 5-year average for calendar years 2022 thru 2026.

**Response: The Interest Expenses calculation of \$13,582 was incorrect; instead, it should have been \$20,339. This error has been corrected on attached file 1f Rate Study 2021.**

12. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, and the Annual Report of Northeast Woodford District to the Public Service Commission for the Calendar Year Ended December 31, 2021 (2021 Annual Report) at 20.

- a. Confirm whether Depreciation expense for test year is \$66,135 or \$66,676.

**Response: The Depreciation Expense for the test year was incorrect; it should have been \$66,676. This error has been corrected on attached file 1f Rate Study 2021.**

- b. Confirm whether Taxes other than Income for the test year is \$2,723 or \$2,738.

**Response: The Taxes other than Income Expense for the test year was incorrect; it should have been \$2,738. This error has been corrected on attached file 1f Rate Study 2021.**

13. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, and the 2021 Annual Report at 49. Provide a detailed breakdown of Total Other Water Revenues in the amount of \$13,375.

**Response: The \$13,375 consists of \$10,925 of late fees/penalties and \$2,450 of reconnect fees.**

14. Refer to the Application, Attachment 4, Revenue Requirements Using Operating Ratio Method table; and Northeast Woodford District's 2021 Annual Report at 20. Confirm whether Interest income for the test year is \$3,104 or \$2,204.

**Response: The Interest Income for the test year was incorrect; it should have been \$2,204. This error has been corrected on attached file 1f Rate Study 2021.**

15. Refer to Application, Attachment 4, Table B Debt Service Schedule. For each outstanding debt issuance still active; provide the case number in which Northeast Woodford District was authorized to issue the debt.

<b>Response: Issuance</b>	<b>PSC Case Number</b>
<b>1995 RD Bonds</b>	<b>1995-00149</b>
<b>2018 KIA Note</b>	<b>2018-00351</b>

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

**Response: According to records on the KY PSC website, the previous rate study was performed as part of PSC Case 2008-00061 in 2008. Northeast Woodford District was unable to identify the date of its last comprehensive cost of service study.**

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

**Response: There have been no material changes to Northeast Woodford District's system since the last time it completed a COSS.**

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

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

17. Refer to the Application, Attachment 4, Revenue Requirements Using Debt Service Coverage Method. Provide explanations for Adjustment F and G.

**Response: See file 1f Rate Study 2021 Tab Revenue Requirement**

18. Refer to Northeast Woodford District's Application, Attachment 5, Current Billing Analysis.



a. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

**Response: See file 1f Rate Study 2021 Tab ExBA**

b. Provide the source of the 2021 usage data presented in the Billing Analysis and state whether any adjustments were made to the data.

**Response: See files 18b Rate Analysis**

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

<b>Response: Misread Adjustments</b>	<b>(\$ 891.68)</b>
<b>General Adjustments</b>	<b>\$ 374.79</b>
<b>Leak Adjustments</b>	<b>\$ 4,859.23</b>
<b>Misread Adjustments</b>	<b><u>\$25,522.44</u></b>
<b>Total</b>	<b>\$29,864.78</b>

**See file 19 Adjustments 2021**

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 2021.

**Response: The billing system utilized by Northeast Woodford District is not capable of producing a billing register in spreadsheet format. The system generates a printed billing register at the time of billing. Each billing register is approximately 116 pages. In lieu of providing scanned copies of the full billing registers, Northeast Woodford District is providing scanned copies of the totals pages for each month of 2021.**

**See file 18d 2021 Billing Registers Totals Pages**

e. Provide a detailed breakdown of the Adjustments totaling \$29,865.

<b>Response: Misread Adjustments</b>	<b>(\$ 891.68)</b>
<b>General Adjustments</b>	<b>\$ 374.79</b>
<b>Leak Adjustments</b>	<b>\$ 4,859.23</b>
<b>Misread Adjustments</b>	<b><u>\$25,522.44</u></b>
<b>Total</b>	<b>\$29,864.78</b>

**See file 19 Adjustments 2021**

19. Provide the number of occurrences in the test year that Northeast Woodford District adjusted a customer's bill due to a leak and provide the dollar amount customer's bills were adjusted due to a leak for the test year.

**Response: Occurrences #11 Amount (\$4,859.23)**

**See file 19 Adjustments 2021**

20. Provide the number of occurrences of billing errors and the dollar amount of each adjustment.

**Response: Occurrences #21 Amount \$891.68**  
**See file 19 Adjustments 2021**