

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
BLACK MOUNTAIN UTILITY DISTRICT)	2022-00275

RESPONSE OF BLACK MOUNTAIN UTILITY DISTRICT
TO THE COMMISSION STAFF'S INITIAL REQUEST FOR
INFORMATION DATED SEPTEMBER 15, 2022

**Black Mountain Utility District
Case No. 2022-00275
Commission Staff's First Request for Information**

Witnesses: Grant Cooper #1-2 and #4-9
Robert K. Miller #3

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, 2021, and 2022 to date.

Response: Black Mountain District does not maintain their own General Ledger and Trial Balance; the District receives these files from their auditor upon completion of their audit. The audit for 2021 has recently been started, so the General Ledger and Trial Balance for calendar year 2021 and 2022 to date are not available.

**See files 1a_General_Ledger_2020
1a_Trial_Balance_2020**

b. The trial balance for the calendar years 2020, 2021, and 2022 to date.

Response: Black Mountain District does not maintain their own Trial Balance; the District receives this file from their auditor upon completion of their audit. The audit for 2021 has recently been started, so the Trial Balance for calendar year 2021 and 2022 to date are not available.

See file 1a_Trial_Balance_2020

c. General Liability Insurance policies for 2020, 2021, and the current period, if available.

Response: See file 1c_Insurance_Policies

d. A document detailing the names, job titles, job descriptions, and pay rates for each employee on December 31, 2019, December 31, 2020, December 31, 2021, and for those currently employed.

Response: See file 1d_Employee_Pay_and_Job_Descriptions

- e. 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: Black Mountain District pays for 100% of the single coverage for medical, dental, and vision insurance for full-time employees. Black Mountain District does not provide retirement benefits.

- f. Minutes from Black Mountain District Board of Commissioner meetings for the calendar years 2020, 2021 and the current period.

Response: Black Mountain District intends to provide this information by Friday October 21, 2022.

- g. A document listing the name of all Black Mountain District board members for each of the five previous years, and state, individually, the total amount of each benefit paid to, or on the behalf of, each director during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.).

Response: See file 1g_Board_Members_History

Board members received no wages or benefits.

- h. Provide a copy of the financial audit (or compilation) for years 2019, 2020, and 2021.

Response: The audit for 2020 was recently completed. Black Mountain District intends to provide a copy of the financial audits for years 2019 and 2020 by Friday October, 21, 2022. The audit for 2021 has recently been started.

See file 1h_2020_Audit_DRAFT

- i. Provide an accounts receivable aging by customer for 2020 and 2021.

Response: Black Mountain District intends to provide this information by Friday October 21, 2022.

- j. Provide water purchase invoices for 2020, 2021 and year to date 2022.

Response: See file 1j_Water_Purchase_Invoices

- k. Provide gallons sold by month for 2019, 2020, 2021, and 2022 year to date.

Response: See file 1k_Gallons_Sold

2. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years ended 2020 and 2021 in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: See file 2_Adjusted_Trial_Balance

3. State the last time Black Mountain District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.
 - a. Explain whether Black Mountain District considered filing a COSS with the current rate application and the reasoning for not filing one.

Response: Black Mountain District did not consider filing a COSS with the current rate application. There have been no material changes to the District's system that would create the need for a new COSS to be prepared.

- b. Explain whether any material changes to Black Mountain District's system would cause a new COSS to be prepared since the last time it has completed one.

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

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

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

- d. Provide a copy of the most recent COSS that has been performed for Black Mountain District's system in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: Black Mountain District was unable to find a copy of the most recent COSS study spreadsheets.

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

Response: 15.

- a. State whether Black Mountain District keeps a record of the dollar amounts of labor and materials used to install new customer taps. If so, state the amount

of labor expense and materials expense for the test year and where it is located in the general ledger.

Response: Black Mountain District does not keep a record of the dollar amounts of labor and materials used to install new customer taps.

- b. Separately, state the amounts expensed to install each new meter during the test year.

Response: Black Mountain District does not keep a record of the amounts expensed to install each new meter during the test year.

- c. Provide revised cost justification sheets to support any changes to the Meter Connection/Tap-on Fee.

Response: See file 4c_Meter_Connection_Cost_Justification

5. 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 that is listed in the current tariff. If the revenue consists of occurrences for any nonrecurring charge that was zero, include that charge and indicate that zero revenue was received.

Response:

Charge Type	Amount	Occurrences
Reconnection	\$ 5,275.00	211
Reconnection (After Hours)	\$ 0.00	0
Late Payment	\$ 9,438.57	2,287
Meter Cover Replacement	\$ 0.00	0
Meter Re-read	\$ 0.00	0
Broken Meter Lock	\$ 575.00	23
Meter Base Relocation	\$ 150.00	1
Returned Check	\$ 2,176.00	68
Meter Test	\$ 25.00	1
Customer Deposit	\$11,667.00	137

6. Provide an updated cost justification for all nonrecurring charges listed in Black Mountain District's tariff.

Response: See file 6_Nonrecurring_Charge_Cost_Justifications

7. Refer to the Application, Attachment 4, Table B, Debt Service Schedule, and refer to the Application, Attachment 8, at page 184 through 188 of the PDF.

- a. Provide the original promissory note and supporting documents for the note number 180018511 listed as what is being refinanced on the promissory note of July 1, 2020, loan number 180002495.

Response: Black Mountain District intends to provide this information by Friday October 21, 2022.

- b. State whether the note listed in the application was paid in full as of the maturity date of August 1, 2021. If the note was not paid in full, provide all documentation indicating the current status, including current principal, of the loan.

Response: The note was recently refinanced. Black Mountain District intends to provide this information by Friday October, 21, 2022.

8. Provide the total amount collected and number of occurrences for late payment fees assessed in calendar years 2017, 2018, and 2019.

Response: Black Mountain District intends to provide this information by Friday October 21, 2022.

9. Refer to the Application, Attachment 5, 2020 Current Billing Analysis. Provide support for the billing adjustments of (\$63,842).

Response: The amount of the billing adjustments was taken from General Ledger Account 4005 for the year 2020.

See file 9_Billing_Adjustments provided by the auditor.