

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF CUMBERLAND)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE)	2022-00291
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO CUMBERLAND COUNTY WATER DISTRICT

Cumberland County Water District (Cumberland District), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on January 19, 2023. The Commission directs Cumberland District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Cumberland District shall make timely amendment to any prior response if Cumberland District obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Cumberland District fails or refuses to furnish all or part of the requested information, Cumberland District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Cumberland District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide the name, educational background and credentials, pay rate, benefit information and hire date of the incoming Cumberland District manager.

2. Refer to Cumberland District's response to Staff's First Request for Information (Staff's First Request), Exhibit A.1a, 2021 General Ledger.xlsx. Also refer to Exhibit A.2, Employee Information. Also refer to Cumberland District's audited financial statements for the year ended December 31, 2021, that were filed with the Commission on March 30, 2022.

a. State whether an employee or outside contractor is responsible for coding receipts and disbursements to the general ledger.

b. If an employee is responsible for coding receipts and disbursements to the general ledger, state the position that is responsible for the activity and state whether interim reviews of the information are performed by a qualified party, and if so, state the name of the qualified party.

c. State whether Cumberland District has hired someone to review general ledger balances regularly and to provide training as noted in management's response to Internal Control finding 2021-3 of the 2021 audited financial statements.

3. Refer to the Application, Exhibit C, ARF Form Attachment SAO-W (SAO) and the response to Staff's First Request, Item 12.

a. The Test Year SAO provides an adjustment amount of \$15,829. The response to Item 12 provides an amount of \$18,420. Explain and reconcile the difference.

b. The Commission has recently used the average of the years 2017, 2018, and 2019 amounts of the Forfeited Discounts as a replacement for the Test Year. The average amount for the Forfeited Discounts of these years equals \$20,558. Explain whether Cumberland District agrees that the amount stated in response to Item 12 is more indicative of the amount of the post-Covid-19 pandemic timeframe.

c. If the response is not indicative of the post-Covid-19 pandemic timeframe, provide an amount that Cumberland District would ask the Commission to consider, and explain how that amount is calculated.

4. Refer to the Application, SAO, Miscellaneous Revenues. Also refer to Exhibit A.1a, 2021 General Ledger.xlsx. Provide a description of the underlying charges

to account 4040-00, Miscellaneous Service Fees, totaling \$24,952.54 and state the reasons the charges are expected to recur.

5. Refer to the response to Staff's First Request, Item 13, and Exhibit A. 13-Nonrecurring Charge Detail. The amount stated in this response excluding the Meter Relocation Charge, as this charge is billed at the actual cost for each meter relocation, equals \$15,565. The amount provided in the SAO for Miscellaneous Revenues is \$24,953. Reconcile the difference between these amounts.

6. Refer to the SAO, Other Water Revenues. Also refer to Exhibit A.1a, 2021 General Ledger.xlsx. Provide the name of all categories and amount of each item by general ledger account number and amount that is included in the adjustment amount of \$33,112, and state the reasons the charges are expected to recur.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
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DATED JAN 05 2023

cc: Parties of Record

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