

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
WHITLEY COUNTY WATER DISTRICT #1)	2022-00321

RESPONSE OF WHITLEY COUNTY WATER DISTRICT #1
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED OCTOBER 27, 2022

**Whitley County Water District
Case No. 2022-00321
Commission Staff's First Request for Information**

Witnesses: Sandra Smith #1a-i, 2-9, 11-12, 14, 15d
Robert K. Miller #1j, 10, 13, 15a-c, 16

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 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_and_Trial_Balance**
 1a_2022_General_Ledger_and_Trial_Balance

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

Response: See files **1b_2021_Trial_Balance**
 1b_2022_Trial_Balance

c. Minutes from Whitley District #1'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. Insurance policies for 2020, 2021, and the current period, if available.

Response: See files **1d_Insurance_Policies_2020-2021**
 1d_Insurance_Policies_2021-2022
 1d_Insurance_Policies_2022-2023

e. Hours worked by each employee for the calendar years 2020, 2021, and the current period.

Response: See files **1e_2020_Employee_Hours_Worked**
 1e_2021_Employee_Hours_Worked
 1e_2022_Employee_Hours_Worked_to_date

f. A document listing the names, job titles, job description, and pay rates for each employee during the test year and for those currently employed.

Response: See file 1f_Employee_Names_and_Pay

g. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

Response: Health Insurance	\$60,437.42	2017
	\$60,024.75	2018
	\$51,186.75	2019
	\$44,338.80	2020
	\$55,227.60	2021

Dental Insurance	\$ 3,460.32	2017
	\$ 3,334.92	2018
	\$ 3,293.12	2019
	\$ 2,454.26	2020
	\$ 2,481.62	2021

KY Retirement System	\$36,339.37	2017
	\$35,442.79	2018
	\$36,557.63	2019
	\$37,773.67	2020
	\$43,568.45	2021

h. 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 1h_Commissioners_Pay

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

**Response: See files 1i_Fiscal_Court
1i_Commissioners_Compensation**

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

Response: See file 1j_Rate_Study Tab SAO Columns I and L

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

Response: See file 2_Attendance

3. 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.

Response: See file 3_Late_Fees

4. 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.

Response:

Meter Turn-On Charge:	\$8,998.00	409 occurrences
Meter Relocation Charge:	\$0.00	
Meter Re-Read Charge:	\$0.00	
Meter Re-Setting Charge:	\$0.00	
Meter Test Charge:	\$0.00	
Service Call/Investigation Charge:	\$0.00	
Service Line Inspection Charge:	\$0.00	
Service Disconnection Charge:	\$0.00	
Service Reconnection Charge:	\$14,102.00	641 occurrences
Service Termination Field Collection Charge:	\$0.00	
Returned Check Charge:	\$600.00	24 occurrences

5. Provide a copy of the most recent invoice received for all insurance policies provided to Employees.

Response: The Employee Medical Insurance is billed and paid online. Whitley District #1 provides a copy of the computer screen from the most recent payment.

See file 5_Employee_Insurance_Invoices

6. Provide updated cost justification information for all nonrecurring charges listed in Whitley District #1's tariff.

Response: See file 6_Cost_Justifications

7. Provide a monthly breakdown in both gallons and dollar amount, of water purchased during the test year by vendor, identifying all vendors from whom Whitley District #1 purchased water.

Response: See file 7_Water_Purchases

8. Provide the current rate charged by each vendor from whom Whitley District #1 purchases water.

Response: Corbin City Utilities	\$2.20 per 1,000 gallons
City of Williamsburg	\$2.50 per 1,000 gallons
Jellico Utilities	\$3.50 per 1,000 gallons
McCreary County WD	\$7.59 per 1,000 gallons

9. Provide an overview of any actions planned or taken by Whitley District #1 to reduce its water loss, including any water loss reduction plan.

Response: See file 9_Water_Loss_Program

As per the program, the Master Meters are read at approximately the same time each day. This is done to ensure that any inconsistencies are identified and potential problems are addressed immediately.

A schedule for after hours leak detection shifts has been assigned to district personnel between the hours of 11:00 pm and 3:00 am to detect abnormal flows and help the staff to identify potential leaks.

Also, Whitley District #1 is currently working on a project to replace old, deteriorated water lines in some areas of the system. This will help to minimize line breaks and improve water loss. Whitley District #1 anticipates that this project will be ready to bid by Fall 2023.

10. Refer to Application, Attachment 9. For each outstanding debt issuance still active; provide the case number in which Whitley District #1 was authorized to issue the debt.

Response: Loan 91-12	PSC Order 2006-00367
Loan B08-03	PSC Order 2010-00200
Loan F15-30	PSC Order 2017-00068 and 2018-00235
Capital Lease	PSC Order 2018-00211

11. Identify the number and type of new water connections that Whitley District #1 installed in the test year.

Response: In 2021, Whitley District #1 installed 50 new water connections. These connections were all residential using 3/4" meters.

12. Confirm whether Whitley District #1 participates in the County Employee Retirement System.

Response: Yes, Whitley District #1 participates in the County Employee Retirement System.

13. Provide the date when Whitley District #1 last performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

- a. Explain whether any material changes to Whitley District #1's system has occurred that would cause a new COSS to be prepared since the date of its most recent COSS.

Response: There have been no material changes to Whitley District #1's system since the last time it completed a COSS.

- b. If there have been no material changes to Whitley District #1's system, explain when a new COSS is anticipated.

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

14. Refer to Whitley District #1's Application, Attachment 4, Schedule of Adjusted Operations, Other Water Revenues.

- a. Provide a detailed breakdown of all items that are part of the 2021 Miscellaneous Service Revenue total of \$310,690.

Response: See file 14a_Miscellaneous_Service_Revenue

15. Refer to Whitley District #1's Application, Attachment 5, Current Billing Analysis.

- a. 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 file 15a_Rate_Analysis
Adjustments were made for billing errors, meter reading errors, leaks, and burst meters.**

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

Response: See file	15b_Billing_Adjustments
Billing Errors	(130,057.55)
Meter Reading Errors	(7,849.37)
Leaks	(30,711.19)
Burst Meters	<u>(5,281.91)</u>
Total	(173,900.02)

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

Response: See file 1j_Rate_Study Tabs ExBA and PrBA

- 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 registers are available in print form only. The register for each month is 400-600 pages. Whitley District #1 has printed the last page for each month in 2021 and is willing to provide the entire registers if needed.

See file 15d_Billing_Registers_2021_Monthly_Last_Pages

16. Refer to Whitley District #1's Application, Attachment 1, Customer Notice. Whitley District #1 proposes to raise its monthly water service rates by an across-the-board percentage amount.

- a. Provide an explanation of how the across-the-board percentage increase method to increase monthly water service rates was chosen.

Response: There have been no significant changes in the distribution of the District's customer usage in many years. Therefore, the District considers an across-the-board increase to be the most equitable means of passing on increased costs to its customers. Applying a uniform percentage increase to all customer classes lessens the likelihood that the public will perceive that any customer class is being unfairly favored or disfavored.

- b. Provide a list of alternative methods Whitley District #1 considered and an explanation as to why each alternative was not chosen to increase its monthly water service rates.

Response: No alternative methods were considered.

- c. Provide an explanation for the difference between "Division 1" customers and "Division 2" customers in your Customer Notice.

Response: Not applicable.

- d. Provide an explanation for the water loss surcharge of \$7.91 per bill for "Division 2" customers.

Response: Not applicable.