

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
SHARPSBURG WATER DISTRICT)	2022-00348

RESPONSE OF SHARPSBURG WATER DISTRICT
TO THE COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION DATED FEBRUARY 9, 2023

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

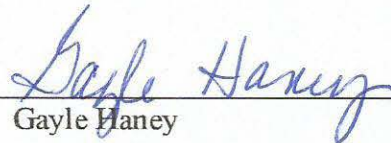
In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)
SHARPSBURG WATER DISTRICT) CASE NO.
2022-00348

VERIFICATION OF GAYLE HANEY

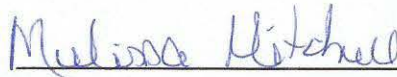
COMMONWEALTH OF KENTUCKY)
COUNTY OF Bath)

Gayle Haney, Manager of Sharpsburg Water District, states that she has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information, and belief, formed after reasonable inquiry.



Gayle Haney

The foregoing Verification was signed, acknowledged, and sworn to before me this 22 day of February 2023, by Gayle Haney.



Commission expiration: May 2, 2023

Sharpsburg Water District
Case No. 2022-00348
Commission Staff's Second Request for Information

Witnesses: Gayle Haney (Items 1 – 9)
Alan Vilines (Item 2.a)

1. Refer to Sharpsburg District's response to Commission Staff's First Request for Information (Staff's First Request), Item 1a, (SWD1_1.a_-_ Trial Balance_2021.pdf) and (SWD1_1.A_-_ Trial_Balance_2022.pdf). Confirm and explain what comprises the Connection Fees Income.

Response: Connection fee income is income for connecting and reconnecting customer service.

2. Refer to Sharpsburg District's response to Staff's First Request, Item 1b, (SWD1_1.b_-_ Adjusted_Trial_Balance.pdf), adjusting Entry 8; and Item 1j, (SWD1_1.j_-_ Adjustments.xlsx).

a. Confirm whether the \$12,100 adjustment to Taxes, or the \$15,551 reported for payroll taxes is the amount Sharpsburg District paid to the Federal Government for FICA taxes for the Calendar year 2021.

Response: Employer and employee payments for FICA were \$16,148.47 each for a total of \$32,269.94. The pro forma amount of \$15,551 was computed for adjustment purposes and is based on reported Salaries & Wages Expenses multiplied by 7.65%.

b. If not provided in the response to Item 2a, provide the total amount Sharpsburg paid to the Federal Government for FICA taxes,

Response: See above.

c. Provide the account in which the amount paid for the FICA tax is recorded in the General Ledger.

Response: The account is "Payroll Expenses – Other".

3. Refer to Sharpsburg District's response to Staff's First Request, Item 1g.

a. Explain why James Purvis receives the \$20 a day gas allowance.

Response: See file SWD2 3.a – Lump Sum Vehicle Allowance

b. Explain why James Purvis receives reimbursement for gas tickets for reading meters.

Response: See file SWD2 3.b – Meter Reading Gas Allowance

c. State how year-end bonuses are determined for each employee.

Response: The board of commissioners makes the decisions on year end bonuses. The bonus is based on length of employment and current pay rate. Bonuses are also subject to payroll taxes.

4. Refer to Sharpsburg District's response to Staff's First Request, Item 4, (SWD1_4_-_Nonrecurring_Charges.pdf), and Item 14, Other Water Revenues.

a. Reconcile the amounts of \$200 and \$1,090 given for Returned Check Charges.

Response: The correct amount for Returned Check Charges is \$144.75. This includes two customers' partial payments toward the total \$20 charge. The \$1,090 figure includes the \$144.75 in actual Returned Check Charges plus \$945.28, which is the total amount of payments for water service that were returned.

b. Reconcile the amounts of \$3,275 and \$1,020 given for Reconnect Charges.

Response: The correct amount for Reconnect Charges is \$3,270. This includes \$1,020 in Reconnect Charges that were paid in cash and \$2,250 in Reconnect Charges that were added to customers' accounts for payment. The \$2,250 amount was posted to the Water Sales Income account.

c. Provide a detailed breakdown for the amount of \$2,790 for Miscellaneous Income.

Response: See file SWD2 4.c – Misc Income

d. Explain the nature of the Inventory listed in Item 14.

Response: Payment of \$25.45 on June 25th for pipe and fittings.

5. Refer to Sharpsburg District's response to Staff's First Request, Item 4, (SWD1_4_-_Nonrecurring_Charges.pdf) and the current tariff, Special Non-Recurring Charges. Explain the reason for the Re-Connect Charges listed in the response to Item 4, given the current tariff does not include a Re-Connect Charge.

Response: The \$25 Reconnect Charge is included in the current tariff on Sheet 6. See file SWD2 5 – Tariff Sheet 6

6. Refer to Sharpsburg District's response to Staff's First Request, Item 6, (SWD1_6_-_Meter_Test.pdf), (SWD1_6_-_Service_Calls.pdf), and (SWD1_6_-_Serv_Calls_After_Hrs.pdf). Provide the mileage rate and the number of miles used to calculate the Transportation Expense on the cost justification sheets.

Response: The mileage rate for all charges is \$0.655 per mile. The average round trip for service calls and service calls after hours is 25 miles. For a meter test, the drive is from Sharpsburg to Bath County and back to drop off the meter and a second trip from Sharpsburg to Bath County and back to pick up the meter for a total of 80 miles.

7. Provide in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible the employee payroll summary for the calendar years 2021 and 2022.

Response: See files SWD2 7 – Payroll 2021
SWD2 7 – Payroll 2022

8. Refer to Sharpsburg District's response to Staff's First Request, Item 1c (SWD1_1.c_-_Meeting_Minutes.pdf). Provide a signed copy of the minutes from December 14, 2022.

Response: See file SWD2 8 – Minutes Dec 2022

9. Refer to Sharpsburg District's response to Staff's First Request, Item 1g and Sharpsburg District's response to Staff's First Request, Item 5 (SWD1_5_-_Ins_Invoices.pdf). State how much Sharpsburg District paid for each employee's health, dental, vision, and life insurance premiums or reimbursed to employees for their health, dental, vision, or life insurance premiums for 2020, 2021, and 2022, if available.

Response: See files SWD2 9 – Ins Premiums 2020
SWD2 9 – Ins Premiums 2021
SWD2 9 – Ins Premiums 2022
SWD2 9 – Ins Reimbursements