

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)
MOUNTAIN WATER DISTRICT FOR A) CASE NO. 2022-00367
GENERAL ADJUSTMENT OF SEWER RATES)
)

**MOUNTAIN WATER DISTRICT'S RESPONSE TO
COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION**

Mountain Water District submits its Response to Commission Staff's Third Request for Information.

Dated: July 14, 2023

Respectfully submitted,

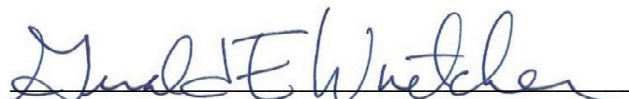


Gerald E. Wuetcher
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507-1801
Telephone: (859) 231-3017
Fax: (859) 259-3517
gerald.wuetcher@skofirm.com

Counsel for Mountain Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on July 14, 2023 and that there is currently no party that the Public Service Commission has excused from participation by electronic means in this proceeding.



Counsel for Mountain Water District

MOUNTAIN WATER DISTRICT

**Response to Commission Staff's Third Request for Information
Case No. 2022-00367**

Question No. 1

Responding Witnesses: Carrie Hatfield

- Q-1. Refer to the Application, Exhibit 6, Schedule of Adjusted Operations References, Adjustment J. Provide the latest invoice received for Workers' Compensation Expense.**
- A-1. See Attachment 3-1. Please note that the insurance coverage extends to Mountain Water District's water and sewer operations.



Workers' Compensation Insurance

Quote Date: 08/26/2022

Quote #: Q638462-000

Proposed Policy Period: 10/30/2022 - 10/30/2023

Installment Schedule

<u>Installments</u>	<u>Due Date</u>	<u>Amount Due</u>
Deposit Premium	10/30/2022	\$13,819.00
Installment	12/20/2022	\$6,909.00
Installment	01/19/2023	\$6,909.00
Installment	02/19/2023	\$6,909.00
Installment	03/21/2023	\$6,909.00
Installment	04/19/2023	\$6,909.00
Installment	05/20/2023	\$6,909.00
Installment	06/19/2023	\$6,909.00
Installment	07/20/2023	\$6,914.00

Please note this Installment Schedule is valid for this quote as written, any change in this quote or its resulting policy is not reflected here in. A \$0 fee will be charged for each installment listed above.



Workers' Compensation Insurance

Proposed Policy Period: 10/30/2022 - 10/30/2023

Quote # Q638462-000

Coverage

Part I. Workers' Compensation Insurance - Statutory

Part II. Employer's Liability Limit:

\$1,000,000.00	Bodily injury by accident, each accident
\$1,000,000.00	Bodily injury by disease, policy limit
\$1,000,000.00	Bodily injury by disease, each employee

States Covered

KY



Workers' Compensation Insurance

Proposed Policy Period: 10/30/2022 - 10/30/2023

Quote # Q638462-000

Code	Description	Exposure	Rate	Total
State: KY				
Premium Period: 10/30/2022 - 10/30/2023				
Location: 1				
7520	WATERWORKS OPERATION & DRIVERS	\$1,330,026.00	2.15	\$28,596.00
7580	SEWAGE DISPOSAL PLANT OPERATION & DRIVERS	\$279,085.00	1.81	\$5,051.00
8380	AUTOMOBILE SERVICE OR REPAIR CENTER & DRIVERS	\$1.00	1.95	\$0.00
8810	CLERICAL OFFICE EMPLOYEES NOC	\$524,210.00	0.14	\$734.00
9812	Employers Liability Limits		0.011	\$378.00
9898	Experience Modification Premium		1.99	\$34,411.00
	Total Standard Premium			\$69,170.00
0063	Premium Discount		0.0778	\$5,384.00CR
0900	Expense Constant			\$250.00
9740	Terrorism		0.009	\$192.00
9741	Catastrophe (Other than certified acts of terrorism)		0.018	\$384.00
9687	Kentucky Special Fund Assessment		0.0694	\$4,484.00
Policy Estimated Annual Premium				\$64,612.00
Policy Total Amount Due				\$69,096.00

NOTE: Premium listed is an estimated annual premium based upon submitted payroll exposures.

This proposal shows the premiums for the coverages described, but in no way changes or affects any terms, conditions or exclusions of the policies currently in existence. Proposed premiums shown are based on information furnished to us. If accepted, the coverages in this proposal will commence upon the expiration of any policies currently in effect. Coverage comparisons are available if desired. This proposal will expire 30 days from the quote date or at the requested effective date whichever occurs first. Please note that the premium indicated may be subject to change prior to activating coverage due to state rate approval that may occur after the quote was issued.



Workers' Compensation Insurance

Proposed Policy Period: 10/30/2022 - 10/30/2023

Quote # Q638462-000

IMPORTANT NOTICE REGARDING EXPIRATION OF CURRENT WORKERS' COMPENSATION INSURANCE COVERAGE.

The current workers compensation insurance coverage provided by Policy Number WCN6004748 is scheduled to expire at 12:01 am on 10/30/2022. In the event this proposal is not accepted and the initial premium for a renewal policy is not received on or before 10/30/2022, your current policy will lapse (expire) at the time and on the date identified above and the lapse (expiration) of workers' compensation insurance coverage will be reported to the appropriate state regulatory body.



Workers' Compensation Insurance

Proposed Policy Period: 10/30/2022 - 10/30/2023

Quote # Q638462-000

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your quote. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury --in consultation with the Secretary of Homeland Security, and the Attorney General of the United States --to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your quote may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$192.00, and does not include any charges for the portion of losses covered by the United States government under the Act.



Encova 360° Team Approach

Account Management:

- Post-sale and day-to-day servicing of all accounts
- Liaison for client, broker and Encova Insurance
- Orientation and On Boarding
- Account/claim reviews
- WC practices and RTW training
- Benchmarking claim performance
- Medical Provider Selection Assistance
- Vendor Management

Loss Control Services:

- On-site Risk Assessment
- Documented Workplace Safety Recommendations
- OSHA Approved Safety Training
- National Safety Council Approved Training
- Free Access to Extensive Safety Video Library
- Web Based Safety Resources
- Industry Experienced Safety Specialists

Claims Services:

- Twenty four (24) Hour Contact
- Cost Reduction Programs
 - Case Management Services
 - Medical Cost Containment
 - Procedure/Bill Review by Medical Specialists
 - Return to Work/Rehabilitation Services
 - Medical Provider Selection Assistance
 - Vendor Management
- Special Investigative/Fraud Units
- Pro-Active Claims handling
- Specialized Services

Litigation Management:

- Reduce frequency and extent
- Panel counsel
- Litigation strategy
- Savings to policyholders

Underwriting Services:

- Competitive Coverage and Pricing Options
- Prompt Response to Coverage Questions
- Flexible Premium Payment Options
- Small and Large Deductible Programs
- Association Safety Discount Programs
- Dividend Programs
- Incurred Loss Retrospective Rating Programs
- Premium Finance Availability
- Specialized Team Approach

Audit Services:

- On-Site Payroll and Classification Verification
- Telephonic and Mail Audit Options
- Recordkeeping Assistance
- Class Dispute Resolution Assistance
- Detailed Audit Results Statement
- Extensive Classification Consultation Resource
- Industry Experienced Premium Auditors

MOUNTAIN WATER DISTRICT

**Response to Commission Staff's Third Request for Information
Case No. 2022-00367**

Question No. 2

Responding Witness: Carrie Hatfield

- Q-2. Refer to the Application, Exhibit 6, Schedule of Adjusted Operations References, Adjustment K. Provide the latest invoice received for Property and Liability Insurance Expense.**
- A-2. See Attachment 3-2. Please note that the insurance coverage extends to Mountain Water District's water and sewer operations.



**Peoples Premium Finance
PREMIUM FINANCE AGREEMENT**

600 SW Jefferson
Suite 204
Lee's Summit, MO 64063(844) 292-9090 Fax (816) 246-2659

www.peoplespf.com

View your client's account status online

Type of Loan	
<input type="checkbox"/>	Personal
<input checked="" type="checkbox"/>	Commercial
<input type="checkbox"/>	Additional Premium

AGENT / BROKER (NAME AND BUSINESS ADDRESS) (01414209) Peoples Insurance Agency 124 Putnam Street Marietta, OH 45750 (740) 568-4035		BORROWER (NAME AND RESIDENCE OR BUSINESS ADDRESS) Mountain Water District P O Box 3157 Pikeville, KY 41502
PRODUCER CODE A01117		

PAYMENT SCHEDULE							
A	TOTAL PREMIUMS 116,505.01	NUMBER OF INSTALLMENTS	AMOUNT OF EACH INSTALLMENT	WHEN PAYMENTS ARE DUE			
		10	9,354.85	FIRST INSTALLMENT DUE	INSTALLMENT DUE DATES		
				9/30/2022	30th (Monthly)		
B	DOWN PAYMENT 26,093.46	SCHEDULE OF POLICIES					
		Policy Prefix and Number	Effective Date	Name of Insurance Carrier and Name of Managing General Agent	Type of Coverage	Policy Term	Gross Premium
C	AMOUNT FINANCED The Amount of Credit Provided on Your Behalf 90,411.55	PKG80710770	8/31/2022	C00276-US Specialty Insurance Company [CX:0] [SR]	PKG	12	114,445.00
					Ernd. Taxes/Fees		2,060.01
					Fin. Taxes/Fees		0.00
D	FINANCE CHARGE The Dollar Amount the Credit Will Cost You 3,136.95						
E	TOTAL OF PAYMENTS Amount Paid After Making All Scheduled Payments 93,548.50						
F	A.P.R. The Cost of Your Credit as Yearly Rate 7.500%						
TOTAL PREMIUMS MUST AGREE WITH BOX "A" ABOVE >>>>							116,505.01

Quote Number: 894220

NOTICE TO THE BORROWER:

If you sign below, you acknowledge receipt of a copy of this Agreement and you agree to the provisions BOTH ON THE FIRST AND THE SECOND PAGE OF THIS AGREEMENT. You further agree that you are appointing LENDER your ATTORNEY-IN-FACT to cancel the policies as outlined in this agreement. The Borrower requests LENDER to pay the premiums on the policies shown in the schedule of policies, less the down payment. In order to help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who obtains a loan. What this means for you: When you apply for a loan, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents if you are a business entity.

IF FOR ANY REASON YOU DO NOT RECEIVE YOUR PAYMENT COUPONS OR INVOICE FOR INSTALLMENTS DUE, YOU MUST STILL MAKE YOUR PAYMENTS ON THE ABOVE DATE TO THE ABOVE ADDRESS.

SIGNATURE OF BORROWER(S) OR DULY AUTHORIZED AGENT OF BORROWER(S)

DATE

**PRODUCERS WARRANTIES AND REPRESENTATIONS:
THE UNDERSIGNED WARRANTS AND GUARANTEES:**

(1) The Borrower has received a copy of this Agreement, and the Required Federal Truth-In-Lending disclosures for Personal Lines Insurance, if applicable, (2) The policies listed herein are in full force and effect and the information in the schedule of policies and the premiums are correct, (3) The Borrower has authorized this transaction and recognizes the security interest assigned herein, (4) To hold in trust for LENDER any payments made or credited to the Borrower through or to the undersigned, directly, indirectly, actually or constructively by any of the insurance companies and to pay the monies to LENDER upon demand to satisfy the then outstanding indebtedness of the Borrower and that any lien the undersigned now has or hereafter may acquire on any returned premium arising out of the above listed insurance policies is subordinated to LENDER's lien or security interest therein, (5) There are no exceptions to the policies other than those indicated and the policies included on this finance agreement are in full force and effect and comply with LENDER's eligibility requirements, (6) No direct company bill, audit or reporting form policies, policies subject to retrospective rating, or policies subject to minimum earned premiums are included except as indicated, and that the deposit or provisional premiums are not less than the anticipated premiums to be earned for the full term of the policies if policy is subject to a minimum earned premium, it is _____. (7) The policies can be cancelled by the Borrower or the Insurance Company on 10 days' notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (8) A proceeding in bankruptcy, receivership or insolvency has not been instituted by or against the named Borrower or if the named Borrower is the subject of such a proceeding, it is noted on this Agreement in the space in which the Borrower's name and address is placed, (9) To hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representation or from errors, omissions or inaccuracies of the agent/broker in preparing this agreement, (10) To pay the down payment and any funding amounts received from the Lender under this Agreement to the insurance company or general agent (less commissions), (11) No term or provision of any financed policy requires the lender to notify or get the consent of any third party to effect cancellation of such policy. (12) To promptly notify Lender in writing of any information on the Agreement becomes inaccurate.

SIGNATURE OF AGENT OR BROKER

DATE

Q# 894220, PRN: 092622, CFG: Cambridge test, RT: Peoples Insurance, DD: N/A, BM: ACH, P/F: 0.00 Qtd For: A01117 Original

**U.S. SPECIALTY INSURANCE COMPANY
PUBLIC RISK
13403 Northwest Freeway
Houston, Texas 77040
RENEWAL CERTIFICATE**

Policy No. **PKG80710770**
Replacement Number **PKG80610770**

NAMED INSURED AND ADDRESS:
MOUNTAIN WATER DISTRICT
6332 ZEBULON HIGHWAY
P.O. BOX 3157
PIKEVILLE, KY 41502

AGENT NAME AND ADDRESS:
PEOPLES INSURANCE AGENCY, LLC
PO Box 991
1999 Winchester Avenue
Ashland, KY 41105
AGENT NO: 00716

POLICY PERIOD: From: **08/31/2022** To: **08/31/2023**
at 12:01 a.m. Standard Time at your mailing address shown above.

PAYMENT PLAN: ANNUAL

BUSINESS DESCRIPTION: GOVERNMENTAL SUBDIVISION

In return for payment of the renewal premium, the above numbered policy is renewed for the Policy Period specified above, subject to all the terms, conditions, exclusions and limits of this Policy, except as other specified herein.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE FORMS FOR WHICH A PREMIUM IS INDICATED.	
	PREMIUM
Commercial General Liability Coverage Part	\$ <u>INCLUDED</u>
Commercial Employee Benefits Coverage Part	\$ <u>INCLUDED</u>
Commercial Liquor Liability Coverage Part	\$ <u>EXCLUDED</u>
Public Officials Liability Coverage Part	\$ <u>INCLUDED</u>
Employment Practices Liability Coverage Part	\$ <u>INCLUDED</u>
Law Enforcement Liability Coverage Part	\$ <u>EXCLUDED</u>
Commercial Property Coverage Part	\$ <u>INCLUDED</u>
Equipment Breakdown Coverage Part	\$ <u>INCLUDED</u>
Commercial Inland Marine Coverage Part	\$ <u>INCLUDED</u>
EDP Coverage Part	\$ <u>INCLUDED</u>
Commercial Crime Coverage Part	\$ <u>INCLUDED</u>
Commercial Auto Coverage Part	\$ <u>INCLUDED</u>
Commercial Excess Coverage Part	\$ <u>INCLUDED</u>
TRIA Coverage	\$ <u>EXCLUDED</u>
	SUBTOTAL: \$ 114,445.00
	KENTUCKY SURCHARGE FEE: \$ 2,060.01
	TOTAL: \$ 116,505.01

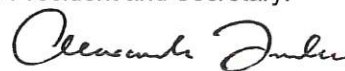
FORMS AND ENDORSEMENTS ATTACHED AT POLICY ISSUANCE

Forms and endorsements applying to this Coverage Part and made a part of this policy at time of issue:
Refer to AL000103

The Company has caused this policy to be signed by its President and Secretary:



President



Secretary

MOUNTAIN WATER DISTRICT

**Response to Commission Staff's Third Request for Information
Case No. 2022-00367**

Question No. 3

Responding Witness: Legal Counsel

Q-3. Refer to the Application, Exhibit 6, Schedule of Adjusted Operations References, Adjustment L. Provide the case number in which the PSC assessment was levied.

A-3. The Department of Revenue, not the Public Service Commission, issued the assessment. KRS 278.130(1) provides:

For the purpose of maintaining the commission, including the payment of salaries and all other expenses, and the cost of regulation of the utilities subject to its jurisdiction, the Department of Revenue shall each year assess the utilities in proportion to their earnings or receipts derived from intrastate business in Kentucky for the preceding calendar year as modified by KRS 278.150, and shall notify each utility on or before July 1 of the amount assessed against it. The total amount so assessed shall not in any year exceed two (2) mills on intrastate receipts as so modified, which shall be deposited into the State Treasury to the credit of the general fund. The sum by each utility shall not be less than fifty dollars (\$50) in any one (1) year.

The assessment amount reported in Exhibit 6 was based upon the gross operating revenues that Mountain Water District reported for 2021. A copy of the Gross Operating Report for Mountain Water District's Sewer Division is attached as Attachment 3-3-1. Based upon a rate of 1.493 mills per \$100, the assessment for sewer operations was \$3,069.95 (\$2,056,229 X 0.001493). A copy of the notice from the Department of Revenue is attached as Attachment 3-3-2.

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF REVENUE
FRANKFORT, KY 40619

NOTICE, DATE 06/20/2022	PERIOD 07/01/2022-06/30/2023	CASE 000000025605033	TAX PUBLIC SERVICE COMMISSION ASSESSMENT
NOTICE # 111115647	RETURN DUE 07/31/2022	TAXPAYER-ID 000025605	TAXPAYER NAME MOUNTAIN WATER DISTRICT

EXPLANATION OF NOTICE

ANNUAL PUBLIC SERVICE COMMISSION ASSESSMENT FOR THE ABOVE PERIOD.

MESSAGES: PENALTIES PROVIDED PER KRS 278.990(3) INCLUDE \$1,000, PLUS \$25 PER DAY FOR EACH DAY THE ASSESSMENT REMAINS UNPAID. KRS 131.440(1)(A) IMPOSES A COST OF COLLECTION FEE FOR TWENTY-FIVE PERCENT (25%) ON ALL ASSESSMENTS WHICH ARE OR BECOME DUE AND OWING TO THE DEPARTMENT. IF THE AMOUNT DUE IS NOT PAID BY THE DUE DATE, THESE PENALTIES AND FEES MAY BE ADDED TO THIS ASSESSMENT AND REFERRED FOR ENFORCED COLLECTION ACTION.

6762.88

QUESTIONS CONCERNING THIS ASSESSMENT MAY BE DIRECTED TO THE PUBLIC SERVICE COMMISSION, 211 SOWER BOULEVARD, PO BOX 615, FRANKFORT, KENTUCKY 40602, TELEPHONE NUMBER (502) 564-3940. KRS 278.130 PROVIDES FOR THE ANNUAL ASSESSMENT OF PUBLIC SERVICE COMPANIES.

GROSS INTRASTATE RECEIPTS

10,562,956.00

TAX LIABILITY

TAX LIABILITY
15,770.49

TOTAL LIABILITY

TOTAL LIABILITY
15,770.49

<<<< EXPLANATION OF NOTICE CONTINUED ON NEXT PAGE >>>>

DETACH VOUCHER AND RETURN WITH PAYMENT. MAKE CHECK PAYABLE TO KENTUCKY STATE TREASURER.

EXPLANATION OF NOTICE, CONTINUED

PAGE 2

TAXPAYER ID: 000025605
 NOTICE NUMBER: 111115647

TOTAL DUE AS OF:	TOTAL AMOUNT OF:	BALANCE DUE
07/08/2022	TAX 15,770.49	
	TOT	15,770.49

PLEASE RETURN THE NOTICE OF TAX DUE STUB WITH PAYMENT TO:
 DEPARTMENT OF REVENUE, FRANKFORT, KENTUCKY 40619.

ONLINE PAYMENT OPTIONS ARE AVAILABLE. THE DEPARTMENT OF
 REVENUE ACCEPTS PAYMENTS BY CREDIT CARD OR ELECTRONIC CHECK.
 PAYMENT RULES VARY BY TAX TYPE. YOU MAY GET MORE DETAILS AND
 MAKE PAYMENTS AT [HTTPS://EPAYMENT.KY.GOV/EPAY](https://epayment.ky.gov/epay).

TO PAY BY PHONE, PLEASE CALL (502) 564-4921, EXT. 5357. CARDS
 ACCEPTED ARE VISA, MASTERCARD, DISCOVER OR AMEX. 2.75%
 CONVENIENCE FEE FOR CREDIT CARD PAYMENT OR 1.5% CONVENIENCE
 FEE FOR DEBIT CARD PAYMENT. NO CHARGE FOR ELECTRONIC CHECKS.

**IMPORTANT REMINDER: INCLUDE YOUR TAXPAYER IDENTIFICATION
 NUMBER, TYPE OF TAX, AND TAX PERIOD ON ANY PAYMENT OR
 LETTER SENT TO THE DEPARTMENT OF REVENUE. THIS ENABLES THE
 DEPARTMENT OF REVENUE TO CORRECTLY CREDIT YOUR ACCOUNT FOR
 THE TAX PERIOD AND TYPE TAX FOR WHICH YOU INTENDED.**

**REPLY TO: KAYLA 4435
 DEPARTMENT OF REVENUE
 STATION NUMBER 62
 501 HIGH STRET
 PO BOX 1303
 STA 61
 FRANKFORT KY 40602-0181**

**TEL: (502) 564-1234
 FAX: (502) 564-2695
 OFFICE HOURS: 8:00 A.M. TO 5:00 P.M. EASTERN TIME**

NOTICE REQUIREMENT FOR INTERNET POSTING

IF YOUR TAX LIABILITY REMAINS UNPAID FOR MORE THAN 90 DAYS
 AFTER THE DATE OF THIS ORIGINAL NOTICE, THE DEPARTMENT OF
 REVENUE MAY POST YOUR NAME AND THIS LIABILITY FOR PUBLIC
 INSPECTION, INCLUDING POSTINGS IN YOUR LOCAL NEWSPAPER AND/OR
 ON THE INTERNET. HOWEVER, IF YOU NOTIFY THE DEPARTMENT IN
 WRITING DURING THIS PERIOD OF ANY OF THE FOLLOWING, THE
 DEPARTMENT MUST EXCLUDE YOUR NAME FROM ANY PUBLIC POSTING:

1. YOU HAVE AN APPEAL PENDING OR INTEND TO FILE AN APPEAL
 PURSUANT TO KRS 131.110 ET SEQ. WITH RESPECT TO THIS
 LIABILITY;
2. YOU ARE CURRENTLY PAYING THIS TAX LIABILITY THROUGH A
 VALID PAY AGREEMENT;
3. THE DEPARTMENT IS REVIEWING OR ADJUSTING THIS TAX LIABILITY;
4. YOU ARE IN BANKRUPTCY AND THE AUTOMATIC STAY IS STILL IN
 EFFECT.

ADDITIONALLY, A TAXPAYER'S NAME WILL BE EXCLUDED OR REMOVED
 FROM ANY PUBLIC POSTING IN THE EVENT THE DEPARTMENT IS
 NOTIFIED IN WRITING THAT THE TAXPAYER IS DECEASED.

PLEASE PROVIDE WRITTEN BASIS FOR EXCLUSION TO THE **DIVISION
 OF COLLECTIONS, P.O. BOX 491, FRANKFORT, KY 40602**, OR E-MAIL
 IT TO KRC.WEBRESPONSENOTICEOFTAXDUE@KY.GOV.

MOUNTAIN WATER DISTRICT

**Response to Commission Staff's Third Request for Information
Case No. 2022-00367**

Question No. 4

Responding Witness: Kevin Lowe

Q-4. Refer to the Application, Exhibit 7, Usage and Revenue Information, Proposed Rates.

- a. Provide the data by customer classification and revenues for all metered sewer customers.**
- b. Provide the data by customer classification and revenues for all flat rate sewer customers.**

A-4. a. See Attachment 3-4. An Excel spreadsheet version of Attachment 3-4 is embedded in this response and also filed separately with this response. Upon preparing the response, errors in Exhibit 7 were discovered. Total usage related to the first usage block ("First 2,000 Minimum) was not 10,958,190 gallons as originally reported but 10,957,740 gallons and the number of minimum usage bills was 11,267, not 11,266. These errors produced in slightly different revenue results than reported in Exhibit 7.

Please note that Mountain Water District has only two customer classes for sewer customers: commercial and residential.

- b. See response to Question 3-4a.

USAGE AND REVENUE INFORMATION

USAGE TABLE					
	Bills	Gallons	First 2,000	Over 2,000	Total
Residential					
First 2,000 Minimum	9,879	9,898,210	9,898,210		9,898,210
Over 2,000 Gallons	13,435	68,417,410	26,870,000	41,547,000	68,417,410
Commercial					
First 2,000 Minimum	1,388	1,059,530	1,059,530		1,059,530
Over 2,000 Gallons	1,423	28,650,340	2,846,000	25,804,340	28,650,340
Total	26,125	108,025,490	40,673,740	67,351,750	108,025,490

REVENUE TABLES				
Present Rates				
	Bills	Gallons	Rates	Revenue
Residential				
First 2,000 Gallons	23,314	36,768,210	\$37.73 Minimum Bill	\$ 879,637.22
Over 2,000 Gallons		41,547,410	\$16.17 Per 1,000 gallons	\$ 671,821.62
Commercial				
First 2,000 Gallons	2,811	3,905,530	\$37.73 Minimum Bill	\$ 106,059.03
Over 2,000 Gallons		25,804,340	\$16.17 Per 1,000 gallons	\$ 417,256.18
Total Metered Rates		108,025,490		\$ 2,074,774.05
Flat Rate-Residential	1,884		\$78.15 Per Month	\$ 147,234.60
Flat Rate-Commercial	288		\$78.15 Per Month	\$ 22,507.20
Total Revenue				\$2,244,515.23

Proposed Rates - 1st Phase					
	Bills	Gallons	Rates	Revenue	Increase Over Present Rate Revenue
Residential					
First 2,000 Gallons	23,314	36,768,210	\$43.39 Minimum Bill	\$ 1,011,594.46	\$ 131,957.24
Over 2,000 Gallons		41,547,410	\$19.57 Per 1,000 gallons	\$ 813,082.81	\$ 141,261.19
Commercial					
First 2,000 Gallons	2,811	3,905,530	\$43.39 Minimum Bill	\$ 121,969.29	\$ 15,910.26
Over 2,000 Gallons		25,804,340	\$19.57 Per 1,000 gallons	\$ 504,990.93	\$ 87,734.76
Total Metered Rates		108,025,490		\$ 2,451,637.50	
Flat Rate-Residential	1,884		\$83.62 Per Month	\$ 157,540.08	\$ 10,305.48
Flat Rate-Commercial	288		\$83.62 Per Month	\$ 24,082.56	\$ 1,575.36
Total Revenue				\$2,633,260.19	\$388,744.29

Proposed Rates – 2nd Phase					
	Bills	Gallons	Rates	Revenue	Increase Over Present Rate Revenue
Residential					
First 2,000 Gallons	23,314	36,768,210	\$47.92 Minimum Bill	\$ 1,117,206.88	\$ 237,569.66
Over 2,000 Gallons		41,547,410	\$22.15 Per 1,000 gallons	\$ 920,275.13	\$ 248,453.51
Commercial					
First 2,000 Gallons	2,811	3,905,530	\$47.92 Minimum Bill	\$ 134,703.12	\$ 28,644.09
Over 2,000 Gallons		25,804,340	\$22.15 Per 1,000 gallons	\$ 571,566.13	\$ 154,309.95
Total Metered Rates		108,025,490		\$ 2,743,751.26	
Flat Rate-Residential	1,884		\$87.80 Per Month	\$ 165,415.20	\$ 18,180.60
Flat Rate-Commercial	288		\$87.80 Per Month	\$ 25,286.40	\$ 2,779.20
Total Revenue				\$2,934,452.86	\$ 689,937.02

Proposed Rates – 3rd Phase					
	Bills	Gallons	Rates	Revenue	Increase Over Present Rate Revenue
Residential					
First 2,000 Gallons	23,314	36,768,210	\$52.44 Minimum Bill	\$ 1,222,586.16	\$ 342,948.94
Over 2,000 Gallons		41,547,410	\$24.74 Per 1,000 gallons	\$ 1,027,882.92	\$ 356,061.30
Commercial					
First 2,000 Gallons	2,811	3,905,530	\$52.44 Minimum Bill	\$ 147,408.84	\$ 41,349.81
Over 2,000 Gallons		25,804,340	\$24.74 Per 1,000 gallons	\$ 638,399.37	\$ 221,143.19
Total Metered Rates		108,025,490		\$ 3,036,277.30	
Flat Rate-Residential	1,884		\$90.44 Per Month	\$ 170,388.96	\$ 23,154.36
Flat Rate-Commercial	288		\$90.44 Per Month	\$ 26,046.72	\$ 3,539.52
Total Revenue				\$3,232,712.98	\$ 988,197.13