

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
JUDY WATER ASSOCIATION, INC) 2022-00436

RESPONSE OF JUDY WATER ASSOCIATION INC. TO
THE COMMISSION STAFF'S INITIAL REQUEST FOR
INFORMATION DATED JANUARY 31, 2023

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJSUTMENT FILING OF) CASE NO.
JUDY WATER ASSOCIATION, INC) 2022-00436

VERIFICATION OF BILLY RAY FAWNS

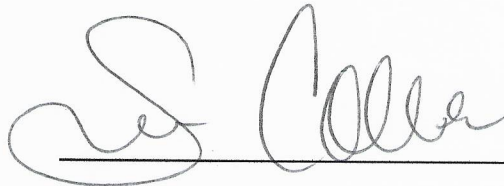
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF Montgomery)

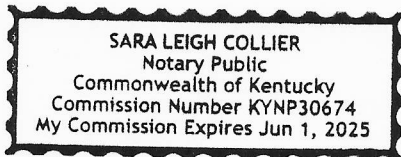
Billy Ray Fawns, Manager of Judy Water Association Inc., states that he has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Billy Ray Fawns

The foregoing Verification was signed, acknowledged and sworn to before this 1ST day of March, 2023. By Billy Ray Fawns.





Commission expiration: 06/01/2025

JUDY WATER ASSOCIATION, INC.
CASE NO. 2022-00436
Commission Staff's Initial Request for Information

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; and the

trial balance for the calendar years 2021 and 2022.

Response: See the attached files titled

1_a_2021 Adjusted Trail Balance.pdf

1_a_2021 General Ledger.pdf

1_a_2022 Adjusted Trail Balance.pdf

1_a_2022 General Ledger.pdf

Witness: Sara Collier

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

Response: See the attached file titled 1_b_2021 and 2022 AJEs.xlsx

Witness: Sara Collier

c. Minutes from Judy Water's commissioner meetings for the calendar years 2020, 2021, and 2022.

Response: See the attached file titled 1_c_Board meeting Minutes.pdf.

Witness: Sara Collier

d. Insurance policies for 2021 and 2022, if available.

Response: See the attached file titled 1_d_Insurance.pdf

Witness: Sara Collier

e. Hours worked by each employee for the calendar years 2021 and

2022.

Response: See the tab labeled Wages in the attached excel file titled Judy WA Rate Study.xlsx.

Witness: Sam Reid

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:

1. **Billy Ray Fawns – Operations Director – Oversight of all operations and office, budget management, purchasing, water operator, reports to board - \$66,950**
2. **Tim Martin –Water Operator - reading meters, flushing meters, sampling, new meter installations, leak repairs, line break repairs, daily master water reading, daily work orders - \$43,260**
3. **Joel Reffitt – Water Operator - reading meters, flushing meters, sampling, new meter installations, leak repairs, line break repairs, daily master water reading, daily work orders - \$39,000**
4. **Cameron Hall – Water Operator – reading meters, flushing meters, sampling, new meter installations, leak repairs, line break repairs, daily master water reading, daily work orders - \$18/hr**
5. **Chris Crain – Part Time Laborer – mowing around tank sites and completing work orders - \$6,000/year**
6. **Sara Collier – Office Administrator – Oversight of office duties, bookkeeping, accounts receivable accounts payable - \$39,000**
7. **Lysandra Amburgey – Customer Service Representative – take customer payments, sign on new customers, preparing work orders - \$28,840**
8. **Janet Sargent – (PT) Customer Service Representative - take customer payments, sign on new customers, preparing work orders - \$20/hr**

Witness: Sara Collier

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: See the attached file titled 1_g_Benefits.pdf

Witness: Sara Collier

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 the attached files

1_h_2018 Commissioners.pdf

1_h_2019 Commissioners.pdf

1_h_2020 Commissioners.pdf

1_h_2021 Commissioners.pdf

1_h_2022 Commissioners.pdf

Witness: Sara Collier

i. Refer to the Application, Attachment 4, References. Provide all

workpapers used to generate the proposed adjustments A-N.

Response: See attached excel file titled Judy WA Rate Study.xlsx.

Witness: Sam Reid

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

Response: All Board members attended every meeting in 2022. 12 regular meetings and 1 special called meeting.

Witness: Sara Collier

3. Provide the total amount of Late Payment Penalties collected and the number of occurrences and annual dollar amounts of late fees assessed during the calendar years ended December 31, 2018, 2019, 2020, 2021, and 2022.

Response: See the attached files

3_2018 Penalty Charges.pdf

3_2019 Penalty Charges.pdf

3_2020 Penalty Charges.pdf

3_2021 Penalty Charges.pdf

3_2022 Penalty Charges.pdf

Witness: Sara Collier

4. Provide a schedule listing the number of occurrences for each nonrecurring charge that was assessed during the test year and the total amount collected for each nonrecurring charge. If the revenue for any nonrecurring charge was zero, include that charge and indicate that zero revenue was received.

- **Response:**
- **No Returned Check Charges assessed in 2021 or 2022. Returned Check Charges are \$25.**
- **Late Payment Penalty is 10% of the water sales balance after the due date. See attached document titled 4_2021 Late Penalty Charges.pdf**
- **Credit/Debit Card Fee is actual cost per transaction. See attached document titled 4_2021 Credit Card Fee.pdf.**
- **Meter Test Charge is \$20 but no charges have been assessed in 2021 or 2022.**
- **Meter Tap On Charge is \$1,175.**

Witness: Sara Collier

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

Response: See the attached file titled, 5_Health Insurance Invoice.pdf

Witness: Sara Collier

6. Provide updated cost justification information to support each nonrecurring charge listed in Judy Water's tariff.

Response: See the attached files titled 6_Cost Justification.pdf

Witness: Sara Collier

7. Provide the number of new tap-ons installed by meter size for 2021.

Response: Twenty six (26) - 3/4" meters

Two (2) – 1" meters.

Witness: Sara Collier

a. State whether Judy Water 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: Judy WA does not keep records in this manner.

Witness: Sara Collier

b. Separately state the amounts expensed to install each meter; and

Response: Judy WA does not keep separate records for each meter installation.

Witness: Sara Collier

c. Provide updated cost justification information to support the Meter

Connection/Tap-On Charges listed in Judy Water's tariff.

Response: Judy WA revised its meter connection fee in 2022 through the Commission Tariff filing process, TFS2022-00421. See the attached PDF file titled, 2022_Tap_FeeCalculation_Amended-_JudyWA.pdf. The document was provided with the 2022 filing.

Witness: Sara Collier

8. Provide a monthly breakdown in both gallons and dollar amount, of water purchased during the test year by vendor, identifying all vendors from whom Judy Water purchased water.

Response: See the attached file titled 8_Purchased Water.xlsx

Witness: Sara Collier

9. Provide the current rate charged by each vendor from whom Judy Water purchases water.

Response: Judy WA purchases water from Mt Sterling Water and Sewer at a rate of \$3.40 per 1,000 gallons. Judy WA purchases water from Kentucky American Water at a rate of \$4.52 per 1,000 gallons.

Witness: Sara Collier

10. Provide an overview of any actions planned or taken by Judy Water to reduce its water loss, including a copy of any water loss reduction plan.

Response: Judy Water Association is at all times taking measures to reduce water loss. We obtain master meter readings daily from the 5 purchase points in our system. Our entire system is broken into 5 smaller systems, this allows us to form baselines for normal usages in those areas and also allows the process of finding leaks easier. We also have several dead end roads that have jumper meters at valves that allow us to determine is there is usage beyond that point. The majority of our creek crossings are metered. We have a portable flow meter that can be strategically used to determine the direction of flow and how many gallons per minute are flowing. We also listen to valves to see if water is cutting through the valve. The use of our Scada system lets us monitor tank levels and master meter flows throughout the day. We also have a meter change out program to make sure our meters do not age and are recording correct flows on customer meters. When a leak is located it's repaired within 24 hours, no matter the size of the leak. Judy Water Association understands that water loss is a never ending battle and is something that has to be a part of our everyday procedures in maintaining the water system.

Witness: Billy Ray Fawns

11. Refer to Application, JWA_Note_5_amortization_schedule.pdf, and JWA_Note_7_amortization_schedule.pdf. For each outstanding debt issuance still active; provide the case number in which Judy Water was authorized to issue the debt.

**Response: RD loan 91-05 was approved in case 2000-00161
RD loan 91-07 was approved in case 2004-00039**

Witness: Sara Collier

12. Identify the number and type of new water connections that Judy Water installed in the test year.

Response: Twenty six(26) - 3/4" meters

Two(2) – 1" meters

Witness: Sara Collier

13. Refer to the application, Attachment 4, Table A, Depreciation Expense Adjustments. Provide a list of assets used to calculate each individual category of asset.

Response: See attached excel file: Judy WA rate study depreciation schedule.xlsx

Witness: Sam Reid

14. Provide the date when Judy Water last performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

Response: Judy WA current Staff members are unaware of a COSS being performed for the utility.

Witness: Billy Ray Fawns

a. Explain whether any material changes to Judy Water's system has

occurred that would cause a new COSS to be prepared since the date of its most recent COSS.

Response: Judy WA does not anticipate preparing a COSS, to support an adjustment to its service rates. No material revisions in the operations of the system are planned that would necessitate the preparation of a COSS.

Witness: Billy Ray Fawns

b. If there have been no material changes to Judy Water's system,

explain when a new COSS is anticipated.

Response: Judy WA does not anticipate preparing a COSS, to support an adjustment to its service rates. No material revisions in the operations of the system are planned that would necessitate the preparation of a COSS.

Witness: Billy Ray Fawns

15. Refer to Judy Water'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: United Systems Software, Inc., UMS software program

Witness: Sara Collier

b. Provide a list of any adjustments made to the data and include an

explanation of each adjustment.

Response: None to the data. See the attached file titled 15b_Billing Adjustment 2021.pdf

Witness: Sara Collier

c. Provide the billing analysis in Excel spreadsheet format with all

formulas, rows, and columns unprotected and fully accessible.

Response: See the spreadsheet tab labeled ExBA in the attached excel file titled Judy WA Rate Study.xlsx

Witness: Sam Reid

d. Provide the billing register monthly total for each month of the 2021

calendar year for water customers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: See the attached file titled 15_d_Billing Register 2021.xlsx

Witness: Sara Collier

16. Refer to Judy Water's Application, Attachment 1, Customer Notice. Judy Water 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

method to increase monthly water service rates was chosen.

Response: The Commission has typically accepted an across-the-board increase to water service rates as an acceptable manor to increase rates in the absence of a COSS. Based on review of the Commission's history the utility proposed this method to increase rates.

Witness: Sam Reid

b. Provide a list of alternative methods Judy Water considered and an

explanation as to why each alternative was not chosen to increase its monthly water service rates.

Response: None

Witness: Sam Reid