

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

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RESPONSE OF JUDY WATER ASSOCIATION INC. TO  
THE COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION DATED MARCH 15, 2023

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


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VERIFICATION OF BILLY RAY FAWNS

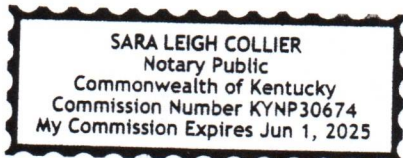
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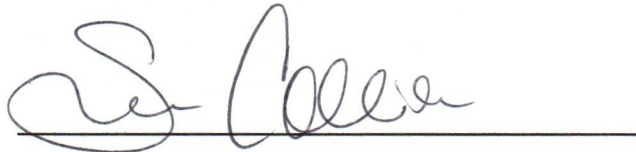
COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF Montgomery )

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 \_\_\_\_ day of March, 2023. By Billy Ray Fawns.



  
\_\_\_\_\_

Commission expiration: 10-01-2025

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

JUDY WATER ASSOCIATION, INC. ALTERNATIVE RATE ADJUSTMENT FILING OF CASE NO. 2022-00492

VERIFICATION OF BILLY RAY FAWNS

COMMONWEALTH OF KENTUCKY

COUNTY OF MONROE, KY

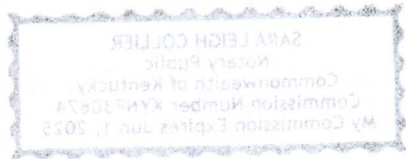
Billy Ray Fawns, Manager of Judy Water Association Inc., states that he has personally reviewed the information contained in the above referenced case and that the matters and things set forth in this and attached to the last of his knowledge, information and belief, formed after reasonable inquiry.

Billy Ray Fawns  
Manager, Judy Water Association Inc.

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

Billy Ray Fawns

Commissioner, Public Service Commission



1. Refer to Judy Water's 2021 Annual Report, page 20.

a. Explain the transactions that account for account #414 – Gains

(losses)-Utility Property's balance of \$6,000.

**Response: The \$6,000 gain from disposition of utility property was the sale of 11 Intergra TR Data Radios. This equipment was beyond its useful life and had been replaced. The sale was to an entity that still used the older system.**

**Witness: Sara Collier**

b. State whether the transactions are annually recurring events or an unusual occurrence.

**Response: This was an unusual occurrence.**

**Witness: Sara Collier**

2. Refer to Judy Water's Response to Commission Staff's First Request for Information (Staff's First Request), Item 1a, 1\_a\_2021\_General\_Ledger.pdf, Account #74200, at 199 and 120. Provide the cost justification for paying board members bonuses.

**Response: The policy to provide annual bonuses to the association's Commissioners and staff was set many years ago prior to the current Commissioners and staff's knowledge. Bonuses are not guaranteed they are dependent on the proper operations of the association and reflection of individual efforts. The 2021 bonuses were approved by the board at the November 8th 2021 board meeting as reflected by the minutes from the meeting. See the attached file titled 2\_November 2021 Minutes.pdf. The potential to receive an annual bonus is an incentive to attract and retain knowledgeable personnel, as well as to encourage diligence by the individual.**

**Witness: Billy Ray Fawns**

3. State whether Judy Water participates in the County Employee Retirement System.

**Response: Judy Water does not participate in CERS.**

**Witness: Sara Collier**

4. Refer to Judy Water's response to Staff's First Request, Item 1a,

1\_a\_2021\_Adjusted\_Trial\_Balance.pdf.

a. Explain the transactions included in account #72700 – Special Extra Salaries.

**Response: The transactions consist of annual employee bonuses and temporary employee wages.**

**Witness: Sara Collier**

- b. Explain how Special Extra Salaries differ from Employee Salaries.

**Response: Account #72700 - Special Extra salaries includes employee bonuses and temporary employee wages. During 2021 a temporary employee was hired to assist with customer services during the absence of an employee due to illness.**

**Witness: Sara Collier**

5. Refer to the Application, Attachment 4, Schedule of Adjusted Operations;

Other Water Revenues.

- a. Provide a detailed breakdown of the \$413 listed as Forfeited Discounts in the Application and listed as Miscellaneous Service Revenues in the 2021 Annual Report.

**Response: See the attached file titled 5\_a\_2021 Miscellaneous Deposits.pdf.**

**Witness: Sara Collier**

- b. Explain whether the amount of \$413 is Miscellaneous Service Revenue or Forfeited Discount Revenue.

**Response: The \$413 Miscellaneous Service Revenues appears to have been inadvertently listed as Forfeited Discounts Revenue in the application. The revenue is from the sale of parts and equipment sold to customers.**

**Witness: Sara Collier**

- c. Provide a detailed breakdown of the test year amount \$22,000.

**Response: See the attached file titled 5\_c\_2021Meter Sets.pdf.**

**Witness: Sara Collier**

- d. Provide a detailed breakdown for Adjustment B in the amount of \$109,480.

**Response: The \$109,480 are the annual surcharge revenues collected during the 2021 test year. The number of customers that receive the \$16.77 per month charge varies from month to month. The March 2023 number of customer accounts receiving the charge is 571. See the attached file titled 5\_d Surcharge Amount 2021.pdf. The surcharge was established to recover the costs associated with the line extension construction. These surcharge revenues were included with metered sales revenues in the 2021 PSC annual report.**

**Witness: Sam Reid**