

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
MEADE COUNTY WATER DISTRICT)	2023-00039

RESPONSE OF MEADE COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED MARCH 2, 2023

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

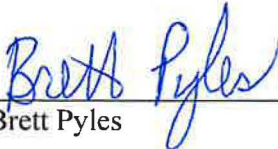
In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
MEADE COUNTY WATER DISTRICT) 2023-00039

VERIFICATION OF BRETT PYLES

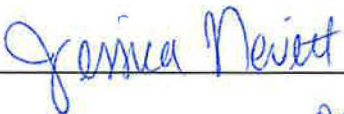
COMMONWEALTH OF KENTUCKY)
COUNTY OF Meade)

Brett Pyles, General Manager of Meade County Water District, 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 therein are true and accurate to the best of his knowledge, information, and belief, formed after reasonable inquiry.



Brett Pyles

The foregoing Verification was signed, acknowledged, and sworn to before me this 28th day of March 2023, by Brett Pyles.



Commission expiration: 09/01/2024



**Meade County Water District
Case No. 2023-00039
Commission Staff's First Request for Information**

Witnesses: Brett Pyles (Items 1.a – g, 1.i – l, 2.b, 3 – 8, and 11)
Alan Vilines (Items 1.h, 2.a, 9 – 10, and 12)

1. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

a. The general ledger in Excel spreadsheet format for the years ended December 31, 2020, 2021, and 2022.

Response: See files MC1 1.a-2020 GL
MC1 1.a-2021 GL
MC1 1.a-2022 GL

b. The trial balance in Excel spreadsheet format for the years ended December 31, 2020, 2021, and 2022.

Response: See files MC1 1.b-2020 Trial Balance
MC1 1.b-2021 Trial Balance
MC1 1.b-2022 Trial Balance

c. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2021 and 2022.

Response: See files MC1 1.c-Insurance Certificates
MC1 1.c-Insurance Invoices

d. Provide a description of all employee benefits, other than salaries and wages, paid to or on behalf of each employee for the calendar years 2020, 2021, and 2022. Supplemental coverage for which the employee pays 100 percent of the cost should also be included.

Response: See file MC1 1.d-Employee Benefits

e. Provide a copy of one invoice for 2022 for each employee benefit described above.

Response: See file MC1 1.e-Benefit Invoices

f. Using a table format, provide an Excel document that states the number of positions, a description of the job titles, hours worked, pay rates, total wages paid, and total FICA cost for each Meade District employee on December 31, 2020, December 31, 2021, and pro forma. Include the date the employee was hired and, if applicable, the employee's termination date. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant. A total column that includes total wages by employee (regular wages and overtime) should be provided.

Response: See file MC1 1.f_g-Empl Compensation

g. Using the same table that lists each position and wage information, list each employee benefit (medical, dental, life, others), the employee's contribution, the employer premium contribution, and the adjustment based on Bureau of Labor Statistics (BLS) contribution rates. If health insurance is provided designate the coverage type (i.e., single, family, couple, or parent plus). If benefits other than medical insurance are provided, include a total column for the cost of all benefits excluding the BLS adjustment.

Response: See file MC1 1.f_g-Empl Compensation

h. Provide a PDF of the BLS report on which item g is based.

Response: See file MC1 1.h-BLS Report

i. Provide the minutes from Meade District's Board of Commissioners meetings for the calendar years 2020, 2021, and 2022.

Response: See files MC1 1.i-2020 Board Minutes
MC1 1.i-2021 Board Minutes
MC1 1.i-2022 Board Minutes

j. Provide a document listing the names of all of Meade District's Commissioners for each calendar year 2020, 2021, 2022, and year to date 2023 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.), their term (beginning and ending), and current compensation.

Response: See file MC1 1.j-Board Members

k. Provide the date of the fiscal court minutes that authorizes each commissioner's appointment and compensation.

Response: See file MC1 1.k-Fiscal Ct Appointments
MC1 1.k-Fiscal Ct Commissioner Comp

2022.

I. Provide training records for each commissioner for 2020, 2021, and 2022.

Response: See file MC1 1.I-Training Records

2. Refer to Meade District's Application, Attachment #5, Schedule of Adjusted Operations (SAO) and Revenue Requirements and References.

a. Provide the workpapers that support each pro forma adjustment described in the References (A through K) in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: See file MC1 2.a-Adjustments

b. Provide a reconciliation of commissioner compensation by individual to reported 2021 compensation of \$30,000 on page 50 of the annual report.

Response: Each of the 5 commissioners are paid \$500 per month for a total of \$6,000 per year. ($\$6,000 \times 5 = \$30,000$)

3. Provide the number of gallons of water purchased, the cost of purchases, and the average cost of purchases for each supplier and in total for the years ended December 31, 2020, 2021, and 2022.

Response: See file MC1 3-Water Purchased

4. Provide the number of gallons of water sold in 2022.

Response: See file MC1 4-Water Sold 2022

5. Refer to Application, attachment 08_Depreciation_Schedule.pdf.

a. State whether System No. 276, "139 meters set," with a date in service of December 31, 2021, and cost of \$132,050 includes capitalized internal labor.

Response: Yes, this amount does include labor.

b. Provide a copy of the journal entry to capitalize the \$132,050 referred to above.

Response: The fixed asset account where these additions were to be recorded was 334-0000 Meters and Meter Installations. Prior to the AJE, the balance in that account was \$75,946, so the account was adjusted by \$56,104 to reflect the correct balance for meters placed in service during the year ($132,050 - 75,946 = 56,104$). The credit side of that entry was to 334-0004 Meters & Materials for Installation which is an expense account, therefore expenses were pulled from that account to ensure the capital asset additions were correct.

AJE to capitalize meters set during the year

334-0000 Meters and Meter Installations	56,104	
334-0004 Meters & Materials for Installation		56,104

6. Provide the number of occurrences and the dollar amount for late fees that were assessed during the calendar years 2018, 2019, 2020, 2021, and 2022.

Response: See file MC1 6_7-Nonrecurring Charges

7. Provide the total amount collected for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was assessed during the calendar years, 2018, 2019, 2020, 2021 and 2022.

Response: See file MC1 6_7-Nonrecurring Charges

8. Provide an updated cost justification sheets for all nonrecurring charges listed in Meade District's current tariff.

Response: See files MC1 8-Service Call
MC1 8-After Hours Services
MC1 8-Meter Test
MC1 8-Returned Check Fee
MC1 8-Tap Fee
MC1 8-Labor Worksheet

9. Provide a copy of Meade District's current and proposed billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: See file MC1 9-Billing Analyses

10. Provide support for Meade District's billing adjustments of \$109,086 for the current billing analysis, and \$111,955 for the billing analysis with proposed rates.

Response: See file MC1 10-Adjustments. The three types of billing adjustments that contribute to the usage included in the billing analysis data are highlighted in this report. The sum of those three billing adjustments is factored in the Current Billing Analysis for the increase in billings expected with the December 2022 PWA. That result is factored again in the Proposed Billing Analysis for the increase in billings expected with the proposed ARF increase. Also see Item #9 response.

11. a. Provide the date that Meade District's billing cycle begins (meter read date).

Response: The District begins reading water meters the first working day of each month.

b. State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

Response: Yes, that would be the best effective date.

12. State the last time Meade District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

Response: Available records over the past 20 years were searched and a COSS could not be located.

a. Explain whether Meade District considered filing a COSS with the current rate application and the reasoning for not filing one.

Response: The District did consider filing a COSS, however its billing system could not currently generate the data necessary to determine if the existing rate schedule should be restructured.

b. Explain whether any material changes to Meade District's system would cause a new COSS to be prepared since the last time it has completed one.

Response: Material changes to the District's system would cause a new COSS to be prepared.

c. If there have been no material changes to Meade District's system, explain when Meade District anticipates completing a new COSS.

Response: The District is considering changes to its billing system that would allow it to generate reports needed for a future COSS.

d. Provide a copy of the most recent COSS that has been performed for Meade District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: See the response to Item 12.a above.