

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED WATER ADJUSTMENT)	CASE NO.
FILING OF HENDERSON COUNTY WATER DISTRICT)	2023-00101

RESPONSE OF HENDERSON WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED APRIL 28, 2023

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**


In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
HENDERSON COUNTY WATER DISTRICT)	2023-00101

VERIFICATION OF PETE CONRAD

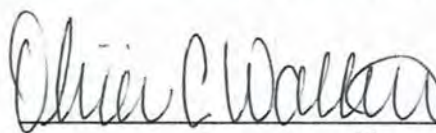
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF HENDERSON)

Pete Conrad, Superintendent of Henderson 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.



Pete Conrad

The foregoing Verification was signed, acknowledged and sworn to before me this 5th day of June, 2023, by Pete Conrad.

 KYNP70920
Commission expiration: 4-18-27

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
HENDERSON COUNTY WATER DISTRICT) 2023-00101

VERIFICATION OF ROBERT K. MILLER


COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

Robert K. Miller, Kentucky Rural Water Association on behalf of Henderson 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.

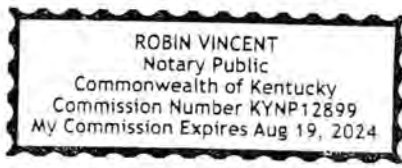


Robert K. Miller

The foregoing Verification was signed, acknowledged and sworn to before me this 5th day of June, 2023, by Robert K. Miller.



Commission expiration: August 19, 2024



**Henderson County Water District
Case No. 2023-00101
Commission Staff's First Request for Information**

Witnesses: Pete Conrad #1-5, 8-19, 21, and 23-24
Robert K. Miller #6-7, 20, 22, and 25

1. Provide the number of occurrences and the dollar amount for Forfeited Discounts/Late Fees that were assessed during the calendar years 2021 and 2022.

Response: See file 1_Late_Fees

2. Provide the total amount recorded for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was assessed during the 2021 test year and calendar year of 2022.

Response: See file 2_Nonrecurring_Charges

3. Provide an updated cost justification sheet for each nonrecurring charge listed in Henderson District's tariff.

Response: See files 3_Nonrecurring_Charge_Cost_Justifications

4. Provide an updated cost justification sheet for each Meter Connection/Tapon Fee listed in Henderson District's tariff.

**Response: See file 4_Tap_Fee_Justification_Form_34_Inch
4_Tap_Fee_Justification_Form_1_Inch
4_Tap_Fee_Justification_Form_Larger_Services**

5. a. Provide the date that Henderson District billing cycle begins (meter read date).

Response: Henderson County District begins their read cycle on the first 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: The first day of the month would be the best effective date of any order the Commission issues concerning rates in this case.

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

Response: Henderson District was unable to identify the last time a cost of service study was performed.

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

Response: Henderson District did not consider filing a COSS with the current rate application. There have been no material changes to the District's system that would create the need for a new COSS to be prepared.

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

Response: There have been no material changes to Henderson District's system since the last time it completed a COSS.

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

Response: A new COSS would be appropriate if material changes in customer usage patterns were to occur.

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

Response: Response: Henderson District was unable to find a copy of the most recent COSS study spreadsheets.

7. Refer to the Application, Attachment 5, the Billing Analysis.

- a. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: See file 7a_2021_Billing_Analysis

- b. Provide a list of applicable billing adjustments made to the billing analysis and include an explanation of each adjustment.

Response: See file 7b_2021_Billing_Adjustments

8. Provide the general ledger in Excel format with all formulas, rows, and columns fully accessible and unprotected for the years ended December 31, 2020; December 31, 2021; and December 31, 2022.

Response: See file 8_General_Ledger

9. Provide the trial balance in Excel format with all formulas, rows, and columns fully accessible and unprotected for the years ended December 31, 2020; December 31, 2021; and December 31, 2022.

Response: See file 9_Trial_Balance

10. Provide a copy of the certificates of insurance and invoices for General Liability, Workers' Compensation, Automobile, and Property and Casualty for 2021, 2022, and 2023.

**Response: See files 10_GL_Insurance_2021
10_GL_Insurance_2022
10_GL_Insurance_2023
10_Workers_Comp_2021
10_Workers_Comp_2022
10_Workers_Comp_2023**

11. Provide a description of all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for the calendar years 2021 and 2022, and the year to date for 2023.

Response: See file 11_Insurance_Premiums

12. Provide a copy of the most recent invoice for 2023 for each employee benefit described above.

**Response: See files 12_Benefits_Invoices
12_Pension_Invoice**

13. Provide a document listing the names and terms, including term beginning and end dates, for all Henderson District's Board members for each calendar year 2020, 2021, 2022, and 2023.

Response: See file 13_Board_Members

14. Provide the annual compensation for each current board member.

Response: See file 14_Board_Member_Pay

15. Provide Fiscal Court minutes that authorize the appointment and specify salaries of Board members.

Response: See file 15_Fiscal_Court_Minutes

16. Provide training records for each Board member for 2020, 2021, and 2022.

Response: No training has been completed during 2020 through 2022 by any Board Members.

17. Provide the total number of utility employees, broken out by position.

Response: See file 17_Employees-by-Position

18. Using a table format, provide an Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected that, for each Henderson District employee in 2021, 2022, and for the pro forma calculation, describes job titles, and states the hours worked, pay rates, total regular wages and overtime paid, and total FICA cost. 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.

Response: See file 18_Employee_Compensation

19. Using the same table described in Item 18, list each employee benefit, the employee's contribution, the employer's premium contribution, and both the percentage and adjustment based on Bureau of Labor Statistics (BLS) contribution rates. For the health insurance benefit provided to each employee 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 19_Employee_Benefits

20. Provide a pdf of the BLS report on which Item 19 is based.

Response: See file 20_BLS_Medical_Insurance

21. Provide the minutes from Henderson District Water's Board of Directors meetings for the calendar years 2020, 2021, 2022, and year to date 2023.

**Response: See files 21_Minutes_2020
21_Minutes_2021
21_Minutes_2022
21_Minutes_2023_YTD**

22. Refer to Application, Attachment 4, Schedule of Adjusted Operations and Revenue Requirements and References. Provide the workpapers that support each proforma adjustment described in the Schedule of Adjusted Operations References in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: See file 22_Rate_Study Tab SAO

23. Refer to Application, Attachment 5, Billing Analysis and Henderson District's 2021 Annual Report. Reconcile the difference between the Total Water Sales reported in the Annual Report 352,245,000 gallons and the Total Gallons Sold reported in Billing Analysis 334,729,760 gallons.

Response: See file 23_Water_Sales

The volume of water sales submitted in the 2021 PSC annual report was incorrect: the water sold number was not updated and the 2020 reused. An amended 2021 Annual Report will be sent once completed.

Also, due to bookkeeping error, the volume of sewer sales was mistakenly counted as water consumption which is a difference of 5,680,529 gallons less that was sold. The numbers attached are true and correct.

24. Refer to Application, Attachment 4, Schedule of Adjusted Operations and Revenue Requirements and References adjustment B.

a. Reconcile the \$96,686 adjustment to Salaries and Wages – Employees using the table below:

Response:

Test Year	436,307
Compensation Changes	89,163
Filling Vacancies	<u>7,522</u>
Pro Forma	532,993

b. Provide what the baseline number of employees should be for 2021 (test year).

Response: The baseline number of employees for the test year of 2021 should be 11 full time employees and 1 part time employee.

c. Provide a detailed description of the changes in personnel since 2020.

Response: Starting the year 2020, we were trying to hire 1 field operator and 1 Meter Tech. The field operator position has typically been hired internally from employees moving up, which due to attrition has been difficult. This position has been filled as of May 30, 2023.

At the end of January 2020, the part-time Service Tech and Field Supervisor retired. The Field Supervisor was replaced by the full time Service Tech. The Field Supervisor has been filling in as a Service Tech as well as his new position. The part time Service Tech was filled, however that person quit in August 2021 and that position has remained unfilled.

The Meter Tech position is very much a beginning job and has seen the most turn over. Both positions were filled in May 2020 with a third person training in the position, and the trainer was going to move to field operator position. The trainer and the trainee Meter Techs both quit in July 2020. The second meter tech position was again filled in October of 2020. In May 2022 a meter tech quit and was replace in June of 2022 That meter tech quit in November of 2022 and 2 meter techs were hired in February 2023. The meter tech training both new meter techs was going to move to the field operator position, however that person quit in March of 2023 and one of the new meter techs abandoned the job in April of 2023. A new meter tech was hired (to have 2 meter techs again) in May 2023.

25. Refer to Application, Attachment 4, Schedule of Adjusted Operations and Revenue Requirements and References adjustment F reference G. Adjustment F to Depreciation Expense in the Schedule of Adjusted Operations is a \$98,609 increase. Reference G states a decrease in depreciation expense of \$39,189. Reconcile the difference between the adjustment to depreciation expense and the reference to depreciation expense.

Response: The amount shown on Reference G was incorrect. Reference G should have stated an increase of \$98,609.