

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
WESTERN MASON WATER DISTRICT)	2023-00182

RESPONSE OF WESTER MASON WATER DISTRICT
TO THE COMMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED AUGUST 8, 2023

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION


In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
WESTERN MASON WATER DISTRICT) 2022-00182

VERIFICATION OF DAVID FRENCH

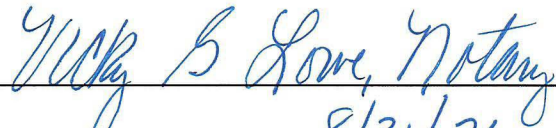
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF MASON)

David French, Manager of Western Mason 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.

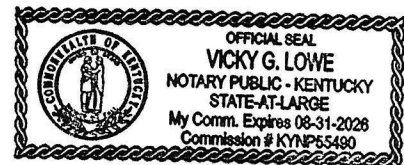


David French

The foregoing Verification was signed, acknowledged and sworn to before me this 31 day of August, 2023, by David French.



Commission expiration: 8/31/26



**Western Mason Water District
Case No. 2023-00182
Commission Staff's First Request for Information**

Witnesses: David French #1a-g, 2-9, 13-14
Robert K. Miller #1h, 10-12

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 and year to date 2023.

Response: See files **1a_General_Ledger_2021**
 1a_Trial_Balance_2021
 1a_General_Ledger_2022
 1a_Trial_Balance_2022
 1a_General_Ledger_2023_YTD
 1a_Trial_Balance_2023_YTD

- b. Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years 2021 and 2022 and year to date 2023.

Response: See files **1b_Adjusted_Trial_Balance_2021**
 1b_Adjusted_Trial_Balance_2022
 1b_Adjusted_Trial_Balance_2023_YTD

- c. Minutes from Western Mason District's commissioner meetings for the calendar years 2021, 2022, and year to date 2023.

Response: See file **1c_Minutes**

- d. A document listing the employee identification (Position 1, Position 2, etc.), job titles, job description, hours worked, and pay rates for each employee during the test year and for those currently employed. Employee names should be excluded.

Response: See file **1d_Employee_Compensation**

- e. 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 three years.

Response: Employees were provided with the following benefits during 2020, 2021 and 2022:

**Health Insurance – 100% paid by the board
 ADD \$25,000 of coverage – 100% paid by the board
 Life Insurance \$25,000 of coverage – 100% paid by the board
 Dental Insurance – 100% paid by the board**

- f. Provide a copy of the most recent invoice received for each health, dental, life, other insurance policies provided to Employees.

Response: See file 1f_Benefits_Invoices

- g. A document listing the name of all commissioners for each of the two 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 files 1g_Commissioners
 1g_Compensation**

- h. Refer to the Application, Exhibit 4, Schedule of Adjusted Operations, References. Provide all workpapers used to generate the proposed adjustments A-H.

Response: See file 1h_Rate_Study Tab SAO Column L

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

Response: All board members attended each monthly board meeting for the test period.

	Larry Redden, Chairman	Jerry Fields, Treasurer	Pam Carpenter, Secretary
January 17, 2022	Yes	Yes	Yes
February 21, 2022	Yes	Yes	Yes
March 21, 2022	Yes	Yes	Yes
April 18, 2022	Yes	Yes	Yes
May 16, 2022	Yes	Yes	Yes
June 20, 2022	Yes	Yes	Yes
July 18, 2022	Yes	Yes	Yes
August 15, 2022	Yes	Yes	Yes
September 19, 2022	Yes	Yes	Yes
October 17, 2022	Yes	Yes	Yes
November 21, 2022	Yes	Yes	Yes
December 19, 2022	Yes	Yes	Yes

3. Provide training records for each commissioner for 2021, 2022, and 2023.

Response: See file 3_Training

4. Fiscal Court minutes approving each commissioner's appointment and compensation.

Response: See file 4_Appointments_and_Compensation

5. Provide the total amount of Late Payment Penalties recorded and the number of occurrences during 2022 and 2023 to date.

Response: See file 5_Late_Payment_Penalty

The amount of penalties applied during this period was \$24,532.33, The number of accounts with fees added was 3,902 during this period. There was an exception in December 2022: no late fees were added to the accounts. We had a glitch in our billing system and it took about a week or so to get things figured out from software company so by the time we were ready to post it was the end of the month already so we waived late fees for December.

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

Response: 8 new services @ \$750.00	\$6,000.00
7 turn on fees @ \$25.00	\$ 175.00
0 meter reading fees @ \$25.00	\$ 0.00
4 returned check fees @ \$25.00	\$ 100.00
46 reconnect fees for non-payment @ \$25.00	\$1,150.00

7. Provide a copy of the most recent invoice for each general business (auto, worker's comp, property and casualty, liability, other) insurance policy.

Response: See file 7_Insurance_Invoices

8. Provide updated cost justification information to support each nonrecurring charge listed in Western Mason District's tariff.

**Response: See files 8_Reconnect_Fee_Justification
8_Return_Check_Fee_Justification
8_Turn_On_Fee_Justification**

Western Mason District no longer needs to roll a truck to reread meters because they are automated and requests to remove the Meter Reading Charge from the tariff.

9. Provide the number of new tap-ons installed by meter size for 2022.

Response: 8 new 5/8" regular water "tap-ons" were installed in 2022

a. State whether Western Mason District 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: We do not keep a separate record of expenses. It is included in maintenance expenses and materials and supplies. We have estimated 60% labor and 40% materials for the \$750 fee. So at the end of the year we move the amounts out of maintenance expense for the labor and materials and supplies for the meters and other supplies to the meters asset.

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

Response:

Dennis Parker- 6" main - Materials \$679.20 Backhoe Work \$350	\$1,029.20
Brandon Cornette - 3" main - Materials \$698.19 Backhoe wk \$350	\$1,048.19
Paul Brown - 3"main - Materials \$698.19 Backhoe work \$350	\$1048.19
City of Dover-4" main - Materials \$723.73 Backhoe \$350 Bore \$1,000	\$2,082.73*
Brian Kirk -3" main - Materials 698.19 Backhoe wk \$350 Bore \$1,000	\$2,048.19*
Kevin Stears - 3"main - Materials 698.19 Backhoe wk \$350	\$1,048.19
Kyle King - 4"main - Materials \$723.73 Backhoe wk \$350	\$1,082.73
D. Williams - 3"main - Materials 698.19 Backhoe wk \$350 Bore \$1,000	\$2,048.19

*road crossing service

c. Provide updated cost justification information to support the Meter Connection/Tap-On Charges listed in Western Mason District's tariff.

Response: See file 9c_Tap_Fee_Justification

10. Refer to Application, Exhibit 4, Table B, Debt Service Schedule. For each outstanding debt issuance still active; provide the case number in which Western Mason District was authorized to issue the debt.

Response:	Series 1988 (91-02)	1989-00137
	Series 1997 (91-05)	1997-00057
	Series 2001 (91-06)	2001-00267
	Series 2007A (91-08)	2007-00318
	Series 2007B (91-10)	2007-00318
	Series 2010 (91-11)	2009-00477
	Series 2021 (91-13)	2020-00198
	KIA Loan #F209-14	2009-00477

11. Provide a copy of the most recent cost-of-service-study (COSS) performed for Western Mason District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: Western Mason District was unable to located a copy of the most recent COSS.

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

Response: It appears that Western Mason District has not performed a COSS in the last 25 or more years.

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

Response: Western Mason District did not consider filing a COSS because there have been no material changes to the system.

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

Response: There have been no material changes to the Western Mason District system that would create the need for a new COSS to be prepared.

- d. If there have been no material changes to Western Mason District's system, explain when Western Mason District anticipates completing a new COSS.

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

12. Refer to Western Mason District's Application, Current Billing Analysis.

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

Response: See file 12a_Billing_Analysis

The billing system used by Western Mason District is unable to produce this report in Excel format.

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

Response: See file 12b_Adjustments

The Billing Analysis was incorrectly adjusted by \$28,032 using adjustments from 2021. The Billing Analysis should have been adjusted by \$21,928.43 using adjustments from 2022. See highlighted items showing components of the adjustment total.

13. Refer to Western Mason District's current Tariff dated February 1, 2007, unnumbered page, approximately mid page there is a heading of Reading of Meter, this section states "that the meters will be read between the 20th day of the month and the 30th day of the month."

- a. Provide the date that Western Mason District's meter-reading billing cycle begins (meter read date).

Response: Meter reading period starts on the 20th of each month and ends on the 30th. This give us 10 days to get the meters read and the bills prepared to send before the 1st day of the month when the billing cycle starts. We usually have bills printed and send on the 30th or 31st. Sometimes depending on how the month falls we may have them ready a couple of days before the end of the month due to issues with the postal service delivery.

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

Response: The billing cycle date being the 1st of the month would be the best date for rates to go into effect if so ordered by the Commission.

14. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, provide a detailed itemization of the charges that are included in the Other Water Revenue of \$32,475.

Response: See file 14_Other_Water_Revenue