

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 COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION DATED SEPTEMBER 22, 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.

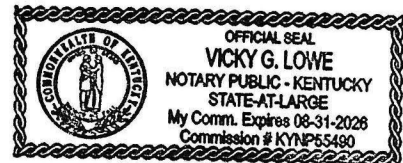
David French

 David French

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

Vicky G. Lowe, Notary

 Commission expiration: 8/31/26



COMMONWEALTH OF KENTUCKY

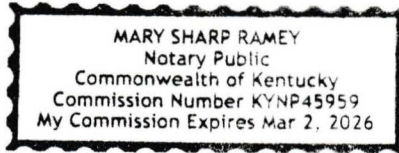
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

VERIFICATION OF ROBERT K. MILLER

COMMONWEALTH OF KENTUCKY)
COUNTY OF JEFFERSON)



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

[Handwritten signature of Robert K. Miller]
Robert K. Miller

The foregoing Verification was signed, acknowledged and sworn to before me this 1 day of August, 2023, by Robert K. Miller.
September

[Handwritten signature of Notary Public]
Commission expiration: March 2, 2026

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

Witnesses: David French #1-9, 11
Robert K. Miller #10

1. Provide a table in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected that lists the total regular hours worked, total wages paid, and total FICA amount for each employee for the year ended December 31, 2022, and for the six months ended June 30, 2023, as well as all variables used to calculate test year Salaries and Wages of \$253,468. The table should include a column for total wages by employee (regular wages) and overtime) and a row for total wages for all employees. Employee names should be redacted from all documents.

Response: See files **1a_01.01.22_to_12.31.22_Payroll_Summary**
 1a_01.01.23_to_06.30.23_Payroll_Summary

2. Refer to Western Mason District's Response to Commission Staff's First Request for Information (Staff's First Request) Item 1d, Employee Compensation.
 - a. Describe the factors contributing to the need for Position 1 to require 1,280 hours of overtime and Position 2 to require 881 overtime hours.

Response: See file **2ab_Staffing**

- b. State whether Western Mason District has considered an alternative staffing structure to reduce the workload demand on Position 1 and Position 2.

Response: See file **2ab_Staffing**

3. Refer to Western Mason District's revised 2022 Application, Attachment 4, Schedule of Adjusted Operations (SOA); also refer to Western Mason District's 2022 Annual Report, page 57. The SOA shows zero Chemical Expense incurred for the test year. Explain in which account the Chemical Expense are classified.

Response: Chemicals are purchased from CITCO Water. They were classified as Materials & Supplies in Account 620.

4. Refer to Western Mason District's Staff's First Request, Item 1a, 1a_General_Ledger_2022.pdf, at 109, account 705 – Other Income.
 - a. Explain the transactions that account for account #705 – Other Income's balance of \$5,601.

Response: There are three transactions that make up the Other Income balance of \$5,061 on the General Ledger. (Please note that there appears to be a transposition error on the RFI as it stated it was \$5,601.)

- Discount on sales tax filing of \$13.24 (this transaction is included with Other Operating Revenues on the PSC annual report).
- Butler Recycling and Core Inc for recycling of \$3,182.34.
- Sold scrap for \$1,865.70.

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

Response: The discount on sales tax filings is a recurring transaction. The other two transactions were from cleaning up around the building.

5. Refer to Western Mason District's revised 2022 Application, Attachment 4, SOA and the 2022 Auditor's Adjustment.

a. Provide a breakdown of what is included in the Other Operating Revenues of \$30,728.

Response: The Other Operating Revenues on the PSC report is a combination of the following accounts on the General Ledger that total \$30,728:

| | |
|--|-------------|
| ▪ Penalties Revenue (GL Acct 470) | \$15,053.57 |
| ▪ Turn on Fee (GL Acct 474-000) | \$ 175.00 |
| ▪ Credit Card Processing (GL Acct 474-051) | \$ 6,052.00 |
| ▪ Misc Income (GL Acct 474-050) | \$ 9,434.84 |
| (This is from an audit adjustment) | |
| ▪ KY Dept of Rev (GL Acct 705) | \$ 13.24 |

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

Response: Penalties Revenue, Turn On Fee, Credit Card Processing, and sales tax discount income are recurring transactions, however, the amounts received vary year to year. The Misc Income is an unusual transaction that is the result of an audit adjustment.

c. Explain whether any of the revenues in the Other Operating Revenues includes the Credit Card Fee of \$13,541.

Response: The \$13,541 is not included in Other Operating Revenues. These were purchases made on the business Visa credit card.

6. Refer to Western Mason District's revised 2022 Application, Attachment 4, SOA and to Western Mason District's response to Staff's First Request, Item 5.
 - a. Explain whether the total of the Other Water Revenues as provided in the 2022 Auditor's Adjustment includes the total of revenues of \$24,523 as provided in Item 5.

Response: Item 5 in the response to the Staff's First Request was ran from January 1, 2022 through September 2, 2023. Other Water Revenues does include the penalties revenue for 2022 of \$15,053.57.

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

Response: Penalties revenue are recurring events.

7. Refer to Western Mason District's response to Staff's First Request, Item 5 and Item 14. Reconcile the \$24,523 from the response to Item 5 and the general ledger of \$15,054 in account number 470.

Response: Item 5 in the response to the Staff's First Request was ran from January 1, 2022 through September 2, 2023. The Billing Period Report is used to post Water Penalties to the accounting software. Penalties for bills not paid in January are posted to the billing software in February. Therefore, the penalties assessed are lined up with the month they are assessed for on the accounting software. Thus, we also have a timing difference between the penalties report in #6 of the first response and the penalties revenue posted to the accounting software.

8. Refer to Western Mason District's revised 2022 Application, Attachment 4, SOA and to Western Mason District's response to Staff's First Request, Item 6. Explain whether the total of the Other Water Revenues of the 2022 Auditor's Adjustment of \$30,728 includes the revenues of \$7,425 from Item 6.

Response: Of the \$7,425, only \$175 is included in the Other Water Revenues of \$30,728. \$6,000 for new services are reclassified to record the asset of meters in service. The reconnect fees of \$1,150 and returned check fee's paid in the amount of \$100 are included in Water Sales.

9. Refer to Western Mason District's revised 2022 Application, Attachment 4, SOA and to Western Mason District's response to Staff's First Request, Item 5, Late Payment penalties of \$24,523 and Item 6, nonrecurring charges of \$7,425. Reconcile the Other Water Revenues of \$30,728 in the 2022 Auditor's Adjustment, where, the response to Item 5 and Item 6 is \$31,948.

Response: Late Payment Penalties from Item 5 of the First Request was for January 1, 2022 through September 2, 2023. Therefore, the \$24,523 includes 8

months of 2023 and the general ledger is only for 2022. Please reference 5a above for items included in Other Operating Revenues.

10. Refer to Western Mason District's response to Staff's First Request, Item 1(h), Tab ExBA and Item 12(b). Explain and reconcile the total in 1(h), Tab ExBA of \$28,032 and the amount provided in response to Item 12(b) of \$21,034.

Response: The net total of all adjustments as reported in 12(b) was \$(21,033.51). This was composed of debits of \$4,970.41 and credits of \$(26,003.92).

The adjustments reflected in 1h Tab ExBA was erroneously listed as \$(28,031.52). based upon adjustments issued in 2021. This number should have been based upon adjustments issued in 2022 of \$(21,928.42) composed of:

| | |
|------------------|----------------------|
| ADJ-ADJUSTMENT | \$(741.48) |
| Water Leak Total | \$(2,698.14) |
| ADJ-ADJUSTMENT | \$(8,386.49) |
| Water Leak Total | <u>\$(10,102.31)</u> |
| Total | <u>\$(21,928.42)</u> |

This total includes items that affect water revenues, but specifically excludes other adjustments such as returned check fees, balance transfers, and sales taxes.

11. Refer to Western Mason District's response to Staff's First Request, Item 6 and Item 14. Reconcile the \$175 from Item 6 and the general ledger Account 474-000 Turn on Fees of \$350.

Response: After reviewing the turn on fees listed from Item 6 and the 2022 General Ledger for Item 474-000 on page 79, both appear to be \$175.