

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
EASY CASEY COUNTY WATER DISTRICT)	2023-00220

RESPONSE OF EAST CASEY COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED OCTOBER 17, 2023

East Casey County Water District
Case No. 2023-00220
Commission Staff's Second Request for Information

1. Refer to Application, Attachment 5, Schedule of Adjusted Operations (SAO). Also refer to Application, Attachment 7, Current Billing Analysis – 2022 Usage and Existing Rates. Explain why reported test year metered water sales of \$2,106,412 on the SAO was not increased by \$173,587 to reflect “Pro Forma Retail Sales Revenue” of \$2,279,999 that is reported as being revenue at existing rates in the billing analysis.

Response: That was an oversight. Test year water sales should have been increased by \$173,587.

2. Refer to East Casey District's Audited Financial Statements in general for the year ended December 31, 2022. Also refer to “Response Worksheet” in East Casey District's responses to Commission Staff's First Request for Information (Staff's First Request).

a. Provide a copy of East Casey District's policy that describes when water line repair costs should be capitalized rather than expensed.

Response: East Casey does not have such a policy. East Casey's auditor makes those determinations each year at the time of its audit.

b. If a written policy does not exist, describe how the determination to capitalize versus expense a water line repair is made.

Response: See response to 2.a.

c. Designate the Excel row number and dollar amount of each

expenditure to CONPIP that was charged to general ledger account number 71002, Water Parts and Supplies, but was ultimately capitalized in 2022.

Response: East Casey has requested this information from their auditor. At the time of this filing they have not received the response. East Casey will file these responses in the case file as soon as they receive them.

d. State the dollar amount of CONPIP expenditures that were capitalized for each applicable addition to fixed assets during 2022.

Response: See response to 2.c.

3. Refer to East Casey District's response to Staff's First Request, Item 1, General Ledger for the year ended December 31, 2022. Provide the information below for each of the following

Date	Ref1	Ref2	Supplier	DR
8/17/2022	68572	31206	WASCON	9,062.99
8/17/2022	081700007820	31209	WESDOZ	7,871.48
9/21/2022	341	31467	WORWAT	12,500.00

a. Copy of the invoice.

Response: See file: ECCWD_3.a._Invoice

b. Purpose of the expenditure.

Response: 8/17/2022 WASCON \$9,062.99 – Big Pump on Shugars Hill Road.

8/17/2022 WESDOZ \$7,871.48 – Excavation to repair washed out water lines due to flood damage.

9/21/2022 WORWAT \$12,500.00 – Installation and parts for (2) 6" cut in valve insertions on the KY 1547 pump station.

c. Confirm whether the amount was expensed or capitalized through a subsequent adjustment, and if capitalized, provide the subsequent journal reference.

Response: East Casey has requested this information from their auditor. At the time of this filing they have not received the response. East Casey will file these responses in the case file as soon as they receive them.

d. For items that are confirmed as expense, confirm that the classification as expense is correct.

Response: See response to 3.c.

4. Refer to East Casey District's response to Staff's First Request, Item 12. The answer is unresponsive to the request. Also, for this Item and Items 5 and 6 below, refer to KRS 278.110, which states that the Commission may employ employees to conduct an examination to perform the duties and exercise the powers conferred by law upon the Commission. Additionally, refer to Commission regulation 807 KAR 5:001, Section 4(12)(b), which states that Commission Staff may request information from any party to a case **on the Commission's behalf** (emphasis added). Finally, refer to PSC Case No. 2011-00433, which addresses Staff's role in cases before the Commission: "We remind the parties that Commission Staff is not a party to this proceeding. 'The task of the Staff is to conduct investigations to facilitate a thorough exploration of the interests and issues involved. The traditional role of the Staff is 'generally to analyze the evidence and advise the Commission.'" The request seeks an updated cost justification sheet for each meter or tap fee charges listed in the in East Casey District's current tariff. Provide a copy of the updated cost justification.

Response: See file: ECCWD_4_CostJustificationMeterorTapFee

5. Refer to East Casey District's Response to Staff's First Request, Item 15.

The answer is unresponsive to the request. The request seeks an updated cost justification sheet for each nonrecurring charge listed in East Casey District's current tariff. Provide a copy of the updated cost justification.

Response: See file: ECCWD_5_NonrecurringChargeCostJustification

6. Refer to East Casey District's Response to Staff's First Request, Item 17.

The answer is unresponsive to the request. The request seeks the billing analysis in the Application. The response provided a billing analysis that has the minimum bill rates and no other rates stated.

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

Response: See file: ECCWD_6_ConsumptionAnalysisDR2

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

Response: None were made.