

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)
MONTGOMERY COUNTY WATER DISTRICT NO. 1)

CASE NO.
2023-00284

RESPONSE OF MONTGOMERY COUNTY WATER DISTRICT NO. 1
TO THE COMMISSION STAFF'S FIRST REQUEST
FOR INFORMATION DATED NOVEMBER 1, 2023

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) Case No.
MONTGOMERY COUNTY WATER DISTRICT NO. 1) 2023-00284

VERIFICATION OF SANDRA MORTON

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF MONTGOMERY)

Sandra Morton, Office Manager of the Montgomery County Water District No. 1, states that she 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.

Sandra Morton
Sandra Morton

The foregoing Verification was signed, acknowledged and sworn to before me this 31st day of October, 2023, by Sandra Morton.

Rebecca Allen

Commission expiration: April 11, 2027



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) Case No.
MONTGOMERY COUNTY WATER DISTRICT NO. 1) 2023-00284

VERIFICATION OF ROBERT K. MILLER


COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

Robert K. Miller, Kentucky Rural Water Association on behalf of Montgomery County Water District No. 1, 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.

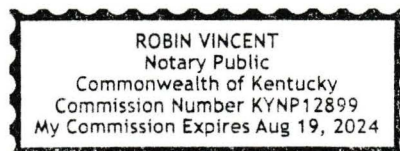


Robert K. Miller

The foregoing Verification was signed, acknowledged and sworn to before me this 30th day of October, 2023, by Robert K. Miller.



Commission expiration: August 19, 2024



Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

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. Employee names should be redacted from all documents.
 - a. The general ledger in Excel spreadsheet format for the years ended December 31, 2021, 2022, and year-to-date 2023.

Response: Refer to the following attachments:

1a_2021_General_Ledger
1a_2022_General_Ledger
1a_2023_General_Ledger_06-30-2023

- b. The trial balance in Excel spreadsheet format for the years ended December 31, 2021, 2022, and year-to-date 2023.

Response: Refer to the following attachments:

1b_2021_Trial_Balance
1b_2022_Trial_Balance
1b_2021_Trial_Balance_6-30-23
1b_Adjusting_Journal_Entries_12-31-2021
1b_Adjusting_Journal_Entries_12-31-2022

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

2. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2021, 2022, and 2023.

Response: Refer to the following attachments:

2_2021_Workers_Comp_&_All_Lines_Fund_Certificate

2_2022_Workers_Comp_&_All_Lines_Fund_Certificate

2_6-1-2023_Workers_Comp_&_All_Lines_Fund_Invoice_&_Certificate

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

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

Response: Health, Life and Dental single insurance coverages are provided to the District's only full-time employee. Montgomery District No. 1 pays 100 percent of the employee benefit premiums.

- a. Provide a copy of one invoice for 2023 for each employee benefit described above.

Response: Refer to the following attachment:

3_10-20-2023_Invoice_Employee_Insurance_Premiums

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton and Robert K. Miller

4. Using a table format, provide an Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected document that lists each position (Position 1, Position 2, etc.), job title, hours worked, pay rates, total wages paid, and total FICA cost for each employee on December 31, 2022, and as of June 30, 2023. 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. 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. Using the same table that lists each position and wage information, list each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and the adjustment based on Bureau of Labor Statistics (BLS) contribution rates, if applicable. 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: Refer to the following attachment:

4_Employee_Wages_and_Benefits

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

5. Provide the minutes from board of commissioners' meetings for the calendar years 2022, and year-to-date 2023.

Response: Refer to the following attachments:

5_2023_Year_to_Date_Board_of_Commissioner_Minutes
5_Calendar_Year_2021_Board_of_Commissioners_Minutes

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

6. Provide a document listing the names of each board member for each of the calendar years 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 authorized annual compensation.

Response: Refer to the following attachment:

6_Commissioner_Information

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

7. Provide documentation that authorizes each Board members appointment and compensation.

Response: Refer to the following attachment:

7_Fiascal_Court_Commissioner_Verification

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

8. Provide training records for each board member for 2021, 2022, and year to-date 2023.

Response: The members of the Montgomery District No. 1 Board of Commissioners have not attended Commissioner Training.

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton and Robert K. Miller

9. Refer to 4_SAO_With_Attachments.pdf that was filed with the application on August 30, 2023.
- a. Provide the workpapers and other supporting documentation for each pro forma adjustment described in the References (A through N) of the Schedule of Adjusted Operations. Provide in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible. (Miller)

Response: Refer to the following attachment:

9a_Excel_Workpapers

- b. Refer to Adjustment E, in the Schedule of Adjusted Operations there is a \$220 decrease to Miscellaneous Expenses. There is no reference to this adjustment. Explain the \$220 decrease to Miscellaneous Expenses. (Miller)

Response: Montgomery District No. 1 misclassified its Electricity expense in the Operating Expense account Miscellaneous Expense. The Adjustment reference E was an error. The correct reference is K the adjustments to eliminate the excess cost of water that exceeds the 15 percent allowable water loss. The adjustment reference is corrected in the following attachment:

9b_SAO_With_Attachments_Corrected

- c. Refer to adjustment L. Provide invoices that support the \$16,224 increase in annual software fees from UPM. (**Morton**)

Response: Refer to the following attachment:

9c_Contract_for_UPM_Software

- d. State whether forfeited discounts and nonrecurring charges are included in Metered Water Sales in the Schedule of Adjusted Operations. If these amounts are not included in Metered Water Sales, state where they are classified. (**Morton**)

Response: The revenues generated by the forfeited discounts and nonrecurring charges are reported in the account Other Revenues.

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

10. Provide a detailed fixed asset listing for 2022.

Response: Montgomery District No. 1's did not maintain a historical detailed records to allow it to create a detailed list of its assets. The only asset list available is provided as attachment:

10_Detailed_Fixed_Asset_Listing

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton and Robert K. Miller

11. 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, 2021, 2022, and year-to-date 2023.

Response: Refer to the following attachment:

11_Purchased_Water

Montgomery County Water District No. 1
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Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

12. Provide the number of occurrences and the dollar amount for late fees that were assessed during the calendar years 2021 and 2022.

Response: Refer to the following attachments:

12_&_13_Late_Fees_&_Nonrecurring_Charges_2021

12_&_13_Late_Fees_&_Nonrecurring_Charges_2022

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

13. 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 2021 and 2022.

Response: Refer to the following attachments:

12_&_13_Late_Fees_&_Nonrecurring_Charges_2021

12_&_13_Late_Fees_&_Nonrecurring_Charges_2022

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

14. Provide updated cost justification sheets for all nonrecurring charges listed in the current tariff.

Response: Refer to the following Attachments:

14_Cost_Justification_Sheets_3-4-Inch_Meter

14_Cost_Justification_Sheets_1-Inch_Meter

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Robert K. Miller

15. Provide a copy of the current and proposed billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: Refer to attachment:

15_Test_Year_Billing_Analysis

Montgomery County Water District No. 1
Case No. 2023-00284
Responses to Commission Staff's
First Request for Information

Witness: Sandra Morton

16. Refer to Montgomery District #1's current tariff dated August 28, 2023, Rules and Regulations, Item 10, Billing.
- a. Provide the date that the billing cycle begins (meter read date).

Response: Montgomery District No. 1 reads its customer meters between the 16th and the 23rd of every 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.

Montgomery County Water District No. 1
Case No. 2023-00284
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First Request for Information

Witness: Sandra Morton

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

Response: The current Montgomery District No. 1 employees are unaware when the last COSS was performed.

- a. Explain whether conducting a COSS was considered for the current rate application and the reasoning for not filing one.

Response: Montgomery District No. 1 currently has only one rate block for its 3/4-Inch and 1-Inch meters. All of its customers, no matter which size meter is used, pay the same rates for water service.

- b. Explain whether any material changes to the utility's system would cause a new COSS to be prepared since the last time one was completed.

Response: If additional sized meters are installed, than a COSS would be considered.

- c. If there have been no material changes to the utility's system, explain when preparation of a new COSS is anticipated.

Response: Refer to the response to Item 17.b.

- d. Provide a copy of the most recent COSS in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: N/A. Refer to Montgomery District's response to Item 17.