

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 SECOND REQUEST
FOR INFORMATION DATED NOVEMBER 8, 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 ROBERT K. MILLER

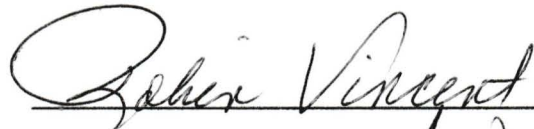
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

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 Commission Staff's Second 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.

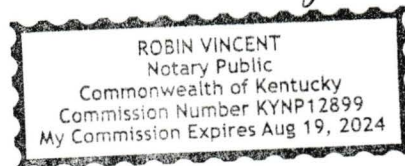


Robert K. Miller

The foregoing Verification was signed, acknowledged and sworn to before me this 29th day of November, 2023, by Robert K. Miller.



Commission expiration: August 19, 2024



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 Commission Staff's Second 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

The foregoing Verification was signed, acknowledged and sworn to before me this
27th day of November, 2023, by Sandra Morton.

 KYNP81160
Commission expiration: 10-16-2027

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

Witness: Robert K. Miller

1. Refer to Montgomery District #1's response to Commission Staff's First Request for Information (Staff's First Request), 15_Test_Year_Billing_Analysis.xlsx, 9a_Excel_Workpapers.xlsx, and 9b_SAO_With_Attachments_Corrected.pdf. The listed submitted documents have Cannonsburg Water District as headings. State whether the listed documents represent Montgomery District #1 or Cannonsburg Water District.

Response(s): In preparing the Billing Analysis(s) for Montgomery District No. 1 the formulas from an Excel workpaper from a prior Cannonsburg rate case was used. The Billing Analysis(s) were modified to reflect Montgomery District No.1's test-year customer usage, water rates, and the correct meter sizes. The utility name on the workpaper was inadvertently not revised. The same Billing Analysis(s) were also provided in the Application and the Excel Workpapers.

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

Witness: Sandra Morton

2. Refer to Montgomery District #1's response to Staff's First Request, 1a_2022_General_Ledger.xlsx and 9a_Excel_Workpapers.xlsx. Provide the actual 2022 test year total payroll tax amount and location in the 2022 general ledger.

Response(s): Payroll taxes were reported in the User Fee revenue account in the 2022 General Ledger. Refer to the schedule below for the individual test-year payroll taxes.

FUTA	\$	283.44
Medicare		1,797.64
Social Security		7,686.43
Unemployment		1,519.38
202 Payroll Taxes	\$	<u>11,286.89</u>

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

Witness: Robert K. Miller

3. Refer to Montgomery District #1's response to Staff's First Request, 1a_2022_General_Ledger.xlsx and 9b_SAO_With_Attachments_Corrected.pdf. Reconcile the difference between the 2022 General Ledger, which states \$5,000 in Tap Fee Revenue was assessed during the Test Year, and adjustment E in the Schedule of Adjusted Operations, which states \$4,000 in Tap Fees was assessed, and provide the correct amount of Tap Fees for 2022

Response(s): Due to a communication error with Montgomery District No. 1's office staff, the incorrect number of meter installations was used to calculate the test-year tap-on fees of \$4,000. The correct tap-on fee revenue that Montgomery District No. 1 collected in 2022 was \$5,000. The adjustment to Operating Revenues and the expenses adjustments should be modified to reflect the correct Tap-on fee collections.

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

Witness: Sandra Morton

4. Provide all Kentucky Utilities invoices for Montgomery District #1's electricity and gas service for the test year of 2022.

Response(s): Montgomery District No. 1 discontinued its Delta Gas service in 2019. For the Kentucky Utility invoices, refer to the attached schedule 4_KY_UTILILITY_INVOICES_2022 .

Montgomery County Water District No.
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First Request for Information

Witness: Sandra Morton

5. Refer to Montgomery District #1's response to Staff's First Request, 1a_2022_General_Ledger.xlsx and 9b_SAO_With_Attachments_Corrected.pdf. Reconcile the difference between the total 2022 General Ledger Payroll Expenses of \$135,262 and the Schedule of Adjusted Operations Test Year 2022 Salaries and Wages – Employees expense of \$121,573 and Salaries and Wages – Officers expense of \$7,200.

Response(s): Refer to the following schedules for the requested reconciliation.

Payroll expenses per g/l	\$ 135,261.59
Payroll taxes	<u>(11,286.89)</u>
	<u>\$ 123,974.70</u>
Office's expense	\$ 7,200.00
Wages overreported	(4,800.00)
Salaries & wages	<u>121,573.00</u>
	<u>\$ 123,973.00</u>

Montgomery County Water District No.
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First Request for Information

Witness: Sandra Morton

6. Refer to Montgomery District #1's response to Staff's First Request, 1a_2022_General_Ledger.xlsx and 9b_SAO_With_Attachments_Corrected.pdf.

a. Reconcile the difference between the total 2022 General Ledger User Fees of \$353,656 and the Test Year Total Retail Metered Sales of \$345,210.

b. State which 2022 General Ledger accounts are included in the Test Year Miscellaneous Expenses amount of \$53,335 from the Schedule of Adjusted Operations.

c. State which 2022 General Ledger accounts are included in the Test Year Taxes Other Than Income amount of \$11,818 from the Schedule of Adjusted Operations.

Response(s):

a. Refer to the following schedule for the requested reconciliation.

G/L Account - User Fees	\$ 356,706.34
Sales tax expense	(1,282.81)
School taxes	(9,799.72)
Returned checks	(413.26)
Annual Report Rev. Water Sales	<u>\$ 345,210.55</u>

b. Refer to the attached schedule 6b_Breakdown_2022_Miscellaneous_Expense.

c. Refer to the following schedule.

Taxes	\$ 528.86
Payroll taxes	11,286.99
Taxes Other than Income Tax	<u>\$ 11,815.85</u>

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Witness: Sandra Morton

7. Provide cost justification sheets for Montgomery District #1's current Reconnection Charge, the Meter Re-Read Charge, and the Returned Check Charge.

Response(s): Refer to the following attachments.

7_Cost_Justification_Sheet_Reconnection_Charge

7_Cost_Justification_Sheet_Meter_Reread_Charge

7_Cost_Justification_Sheet_Returned_Check_Charge