

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MAGOFFIN COUNTY)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT)	2023-00299
PURSUANT TO 807 KAR 5:076)	

RESPONSE OF MAGOFFIN COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED DECEMBER 04, 2022

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ELECTRONIC APPLICATION OF MAGOFFIN COUNTY)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT)	2023-00299
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VERIFICATION OF ROBERT K. MILLER

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF JEFFERSON)

Robert K. Miller, of Kentucky Rural Water Association on behalf of Magoffin County 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.

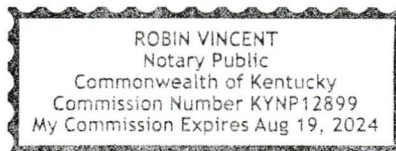
Robert K. Miller

Robert K. Miller

The foregoing Verification was signed, acknowledged and sworn to before me this 20th day of December, 2023, by Robert K. Miller.

Robin Vincent

Commission expiration: August 19, 2024



Magoffin County Water District
Case No. 2023-00299
Commission Staff's First Request for Information

Witnesses: Dwayne Arnett #1a-i, 3-5, 7, 10-12
Robert K. Miller #1j, 2, 6, 8-9

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 and the trial balance for the calendar years 2022 and 2023 to date.
 - b. Adjusted trial balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years 2022 and 2023 to date.
 - c. Minutes from Magoffin District's commissioner meetings for the calendar years 2022 and 2023 to date.
 - d. Copies of property, automotive and liability insurance invoices and coverage declarations for 2022 and 2023 to date.
 - e. A document listing the job titles, job description, hours worked, pay rates, hire dates, termination dates, FICA withholding (both Social Security and Medicare tax) and total amounts paid for each employee during 2022 and 2023 to date.
 - f. Minutes from Magoffin District's commissioner meetings, authorizing current salaries and wages for all current employees.
 - g. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee during calendar years 2022 and 2023 to date. Include the required employee contribution percentage for each benefit.
 - h. A document listing the name of all commissioners for each of the three 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.).
 - i. Fiscal Court minutes that authorize the appointment, beginning and ending of term, and annual compensation of each commissioner.

j. Refer to the Application, 04_SAO_and_Rev_Reqmt.pdf, References. Provide all workpapers used to generate the proposed adjustments.

Response:

- 1.a. See files 1a_General_Ledger_2022
1a_General_Ledger_2023_YTD
1a_Trial_Balance_2022
1a_Trial_Balance_2023_YTD
- 1.b. See files 1b_Adjusted_Trial_Balance_2022
The audit for 2023 has not yet begun, so there are no auditors adjustments for 2023.
- 1.c. See files 1c_Minutes_2022
1c_Minutes_2023_YTD
- 1.d. See file 1d_Insurance_Invoices
- 1.e. See file 1e_Payroll
- 1.f. See file 1f_Salaries
- 1.g. See file 1g_Benefits_2022
1g_Benefits_2023_YTD
- 1.h. See file 1h_Commissioners
- 1.i. See file 1i_Fiscal_Court_Minutes
- 1.j. See file 1j_Rate_Study

2. Refer to the Magoffin District's Response to filing deficiencies, filed October 25, 2023, Exhibit A, Depreciation Expense, Table A Depreciation Expense adjustments table and Magoffin District's response to deficiencies, Exhibit B, Federal Asset Report. In the revised application Transportation expense is recorded as \$16,291, however in the Federal Asset Report records Transportatin Equipment as \$20,471. Reconcile the difference.

Response: When responding to the filing deficiencies, Magoffin District inadvertently included the 2021 depreciation schedule. The correct 2022 depreciation schedule is provided.

See file 2_Depreciation_2022

3. Provide a copy of the most recent invoice received for all employee benefits provided to employees.

Response: See file 3_Benefits_Invoice

4. Provide a monthly breakdown, in both gallons and dollar amount including grant totals, of water purchased from each supplier for 2022 and year to date 2023.

Response: See file 4_Water_Purchases

5. Provide the current rate charged by each supplier from whom Magoffin District purchases water.

Response: See file 5_Wholesale_Tariff

6. Provide the number of new water connections that Magoffin District installed in calendar year 2022.

Response: Magoffin District installed 23 taps in the calendar year 2022 and collected \$20,000.00 in tap fees. Some of these collections were on payment plans for taps that were performed in 2021 and the payments stretched from 2021 into 2022, so they won't match the exact cost per tap.

7. Refer to Magoffin District's Tariff, PSC Ky. No. 1, Original Sheet No. 10(C)(3), Billing, Meter Readings and Related Information, Frequency of meter reading.
 - a. Provide the date that Magoffin District billing cycle begins (meter read date).
 - 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:

- a. Magoffin District's meter ready date is on the 8th of every month.
- b. The 8th of the month would be best stated as the effective date of any order the Commission issues concerning Rates in this case.

8. State the last time Magoffin District performed a cost-of-service study (COSS) to review the appropriateness of its current rates and rate design.
 - a. Explain whether Magoffin District considered filing a COSS with the current rate application and the reasoning for not filing one.
 - b. Explain whether any material changes to Magoffin District system would cause a new COSS to be prepared since the last time it completed one.
 - c. If there have been no material changes to Magoffin District system, explain when Magoffin District anticipates completing a new COSS.
 - d. Provide a copy of the most recent COSS that has been performed for Magoffin District system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response:

- a. Magoffin District did not request a COSS with the current application as the District felt that it had no reason to modify its current rate structure.
- b. There have been no material changes to Magoffin District's system to warrant a new COSS to be prepared.
- c. Magoffin District has no plans to complete a new COSS at this time.
- d. Magoffin District does not have records for the last time it completed a COSS.

9. Refer to the Application, Schedule of Adjusted Operations, provide an itemization of the Other Water Revenues, stated as \$32,187.
 - a. Refer to the Application, Current Billing Analysis 2022 Usage and Existing Rates and. Proposed Billing Analysis 2022 Usage and Proposed Rates. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: See file 1j_Rate_Study

10. Provide a schedule listing the number of occurrences for each nonrecurring charge that was recorded 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 no revenue was recorded. Include the general ledger account numbers where each nonrecurring charge is recorded.

Response: Nonrecurring charge revenue is recorded as water sales and is subsequently separated during Magoffin District's independent audit.

See file 10_Nonrecurring_Charges

11. Provide updated cost justification sheets to support each nonrecurring charge listed in Magoffin District's tariff.

Response: See file 11_Nonrecurring_Charges_Justifications

12. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Magoffin District's tariff.

Response: See file 12_Tap_Fee_Justification