

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
CUNNINGHAM WATER DISTRICT)	2023-00323

RESPONSE OF CUNNINGHAM WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED NOVEMBER 3, 2023

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
CUNNINGHAM WATER DISTRICT) 2023-00323

VERIFICATION OF ERIC YOUNG

COMMONWEALTH OF KENTUCKY)
COUNTY OF Graves)

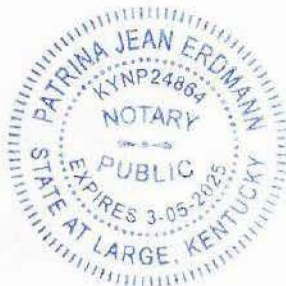
Eric Young, Manager of Cunningham Water District, states that he has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information, and belief, formed after reasonable inquiry.

Eric Young
Eric Young

The foregoing Verification was signed, acknowledged, and sworn to before me this 6th day of December 2023, by Eric Young.

Patrima Jean Erdman

Commission expiration: 03-05-25



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
CUNNINGHAM WATER DISTRICT) 2023-00323

VERIFICATION OF ALAN VILINES

COMMONWEALTH OF KENTUCKY)
COUNTY OF WARREN)

Alan Vilines, Kentucky Rural Water Association on behalf of Cunningham 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.


Alan Vilines

The foregoing Verification was signed, acknowledged, and sworn to before me this 7th day of December 2023, by Alan Vilines.


Bobbie S. Shanahan

Commission expiration: 7/12/2026
#KYNP 53770

Cunningham Water District
Case No. 2023-00323
Commission Staff's First Request for Information

Witnesses: Eric Young (Items 1 – 7, 9, 13, & 14)
Alan Vilines (Items 8, 10, 11, & 12)

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.

a. The general ledger in Excel spreadsheet format for the years ended December 31, 2021, 2022, and year to date 2023.

Response: See files CWD1.1a – 2021 General Ledger
CWD1.1a – 2022 General Ledger
CWD1.1a – 2023 1st qtr General Ledger

b. The trial balance in Excel spreadsheet format for the years ended December 31, 2021, 2022, and year to date 2023. Provide certificates of insurance and most recent invoices for general liability, automobile, property, and casualty for 2021, 2022, and 2023.

Response: See files CWD1.1b – 2021 Trial Balance
CWD1.1b – 2022 Trial Balance
CWD1.1b – 2023 1st qtr Trial Balance
CWD1.1b – Insurance Documents

2. Provide the following information related to billing and financial management software:

a. State whether billing software is integrated with financial operations and reporting (general ledger) software.

Response: Billing software is not integrated.

b. Brand or common name for software.

Response: Water Solutions

c. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.

Response: Locally installed on a utility-owned computer.

d. If locally installed, state the installation date.

Response: July 1999

e. State whether the system is still serviced by the manufacturer and whether the utility maintains a service contract.

Response: There is no service contract.

f. Provide the dates of the most recent training that users received on the software.

Response: April 1, 2023

3. Provide a document listing the names of each member of the Board of Commissioners 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 director 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: See file CWD1.3 – Commissioners

4. Provide fiscal court minutes that authorize each Commissioner's appointment and compensation.

Response: See file CWD1.4 – Fiscal Ct Minutes

5. Provide the minutes of each meeting of Cunningham District Commissioners where appointments to the positions of Chairman, Treasurer, and Secretary were made.

Response: See file CWD1.5 – Minutes re Officers

6. Provide training records for each Commissioner for 2021, 2022, and year to date 2023.

Response: The Commissioners have attended no training sessions.

7. Provide the minutes from Commission meetings, including copies of financial reports, operations reviews, and all other documents referred to in the minutes for the calendar year 2021, 2022, and year to date 2023. This is a continuing request for minutes of meeting through the closure of this case.

Response: The minutes provided for Items 5 and 9 are the only minutes available.

8. Refer to the Application, Attachment 4_SAO_and_Rev_Reqmts.pdf, Schedule of Adjusted Operations, etc.

a. Provide the workpapers and other supporting documentation for each pro forma adjustment described in the References (A through D) of the Schedule of Adjusted Operations. Provide in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

Response: See file CWD1.8a – SAO w Adjustments

b. 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.

Response: Forfeited discounts and nonrecurring charges are not included in Metered Water Sales. None of those charges were assessed in the test year.

9. Refer to the Application, Attachment 4_SAO_and_Rev_Reqmts.pdf, Schedule of Adjusted Operations, etc. For each supplier that is reported in “Contractual Services” provide the following:

- a. Description of services provided.
- b. Name of service provider

Response: Eric Young – System operations and meter reading
DW Excavating – Labor & Equipment for line repairs, etc.
Curtsinger Duncan Financial Serv. – Bookkeeping & billing

c. Amount spent during each of 2021, 2022, and year to date September 2023.

Response: See file CWD1.9c – Contractor Expenses

d. Contract amount per reference unit (hour, day, month, etc.) for each of 2021, 2022, and 2023.

Response: 2021

- Operations - \$2,480/month (Bardwell City Utilities)
- Bookkeeping & billing - \$600/month
- Excavating – Hourly rates

2022

- Operations - \$1,400/month (Eric Young)
- Bookkeeping & billing - \$600/month
- Excavating – Hourly rates

2023

- Operations - \$1,400/month (Eric Young)
- Bookkeeping & billing - \$600/month
- Excavating – See file CWD1.9d - Excavation Rates

e. Designate each reference in minutes of Commissioner meetings where each contract was discussed, or actions were taken pertaining to each contract.

Response: See file CWD1.9e – Board Minutes re Contractors

f. Provide copy of most recent contract for each service provider.

Response: There are no written contracts.

g. If certified operator position is not full time, describe how issues that require a certified operator are addressed if the certified operator is not available.

Response: Certified operator is available at all times.

h. State who performs general water system maintenance and repair services if this is not discussed in the contractor positions described above.

Response: See above.

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

Response: No record could be found which would indicate 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: A COSS was not considered for the current application.

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: A new COSS will be appropriate when material changes in customer usage patterns occur.

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

Response: A new COSS is not anticipated at this time.

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

Response: A COSS study could not be located.

11. Provide updated cost justification sheets for all meter or tap fee charges listed in the current tariff.

Response: See file CWD1.11 – Tap Fee Calculation

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

Response: See files CWD1.12 – Service Charges
CWD1.12 – Meter Test Charge

13. Provide the number of occurrences and the dollar amount for late fees and each non-recurring charge that was recorded during each of 2021 and 2022.

Response: There were no Late Fees or other nonrecurring charges assessed in these years.

14. Refer to Cunningham District's current tariff dated May 20, 1989, inclusive of various individually updated components.

a. Provide the date that the billing cycle begins (meter read date).

Response: The billing cycle begins on the 25th of each 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, the 25th would be best effective date.

c. State whether the date that the billing cycle begins should be included in the tariff documents.

Response: Yes, that could be included in the tariff.