

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

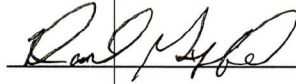
In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING) CASE NO.
OF RATTLESNAKE RIDGE WATER DISTRICT) 2023-00338

VERIFICATION OF DAVID GIFFORD

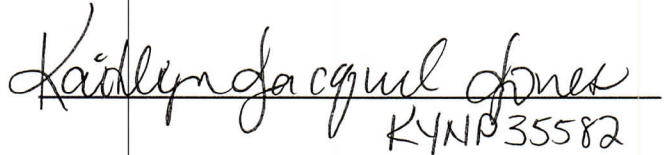
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CARTER)

David Gifford, Manager of Rattlesnake Ridge 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 are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



David Gifford

The foregoing Verification was signed, acknowledged and sworn to before this 22 day of January, 2024. By David Gifford.



KYNP 35582

Commission expiration: Aug 23, 2025

RATTLESNAKE RIDGE ATER DISTRICT
CASE NO. 2023-00338 RESPONSE TO
COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION

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 year 2022 and 2023 to date.

Response: Refer to the application attachment 11.2. file titled: 11_2_RRWD 2022 YTD GL.pdf. Also see the attached files titled:

1_a_2022 RRWD Ledger Analysis.xlsx

1_a_2023 RRWD Ledger Analysis.xlsx

1_a_2022 RRWD Trial Balance.xlsx

1_a_2023 RRWD Trial Balance.xlsx

Witness: David Gifford

b. Adjusted trial balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year 2022 and 2023 to date.

Response: See the attached files titled:

1_b_2022 RRWD Adjusted TB.xls

1_b_2023 RRWD Adjusted TB.xls

Witness: David Gifford

c. Minutes from Rattlesnake Ridge District's commissioner meetings for the calendar years 2022 and 2023 to date.

Response: See the attached files titled:

1_c_2022_RRWD_Board Minutes.pdf

1_c_2023_RRWD_Board_Minutes.pdf

Witness: David Gifford

d. Copies of property, automotive and liability insurance invoices and coverage declarations for 2022 and 2023 to date.

Response: See the attached files titled: 1_d_blanket ins coverage.pdf

Witness: David Gifford

e. A document listing the job titles, job description, test year hours worked, test year and current pay rates, hire dates, termination dates, FICA withholding (both Social Security and Medicare tax) and total amounts paid for each employee during 2022, 2023 to date, and forecasted for the year ended December 31, 2023. Designate positions by number (i.e. Position 1, position 2, etc.) and title, and do not provide employee names.

Response: Refer to the application, attachment 11.1. excel file titled: 11_1_Rattlesnake Ridge WD Rate Study.xlsx, wages tab.

Also see the attached files titled: 1_e_job titles etc.pdf

Witness: David Gifford

f. Minutes from Rattlesnake Ridge District's commissioner meetings, authorizing current salaries and wage rates for all current employees.

Response: See the attached file titled: 1_f_min reflecting wages.pdf

Witness: David Gifford

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.

Response: The utility provided health insurance and contributed to the county retirement system on each full-time employee. Each employee has the option to purchase additional benefits, such as vision, dental and life insurance in which they are responsible for paying 100% of those benefits. Refer to the attached file in response 2 titled: 2_payroll register.pdf.

Witness: David Gifford

h. A document listing the name of all commissioners for each of 2021, 2022, and 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.).

Response: See the attached files titled:

1_h_commissioners.pdf

1_h_PSC case 2021-340.pdf

Witness: David Gifford

i. Fiscal Court minutes that authorize the appointment, beginning and ending of term, and annual compensation of each commissioner.

Response: RRWD provided this information in case 2021-00340. A copy of the response in that case containing the requested information is attached. See the file titled, 1_i_supplemental response case 21-340.pdf

Witness: David Gifford

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

Response: See the attached file titled, 2_payroll register.pdf

Witness: David Gifford

3. Confirm Rattlesnake Ridge District does not purchase any water and instead produces all its water requirements.

Response: Confirmed

Witness: David Gifford

4. Provide the number of new water connections that Rattlesnake Ridge District installed in calendar year 2022.

Response: The District, increased its' tap fee on 11/11/22, forty-eight 5/8-inch meters were installed at the old rate (\$700) and four 5/8-inch meters were installed at the increased rate (\$1,200) for 2022. See the application attachment 11_1_Rattlesnake Ridge WD Rate Study.xlsx, tab titled Capital.

Witness: David Gifford

5. Refer to the Application, Attachment 11, 11_1_Rattlesnake_Ridge_WD_Rate_Study.xlsx, SAO tab, Miscellaneous Expense adjustment, Cell G54. Confirm the Pro forma \$507,284 does not include the proposed \$344,115 reduction due to the reclassification of expenses to purchased power.

Response: Confirmed, the formula in the referenced cell address, incorrectly omitted the adjustment for purchased power.

Witness: Sam Reid

6. Refer to the Application, Attachment 11, 11_1_Rattlesnake_Ridge_WD_Rate_Study.xlsx, Wages tab, Column I, Bonus. Explain the nature and criteria for the bonus.

Response: The Board discussed the best way to show appreciation for the efforts of the employees in cutting water loss and chemical production costs. The Board initially discussed this at the October 2023 meeting, requested the district's CPA attend the next board meeting for further discussions. The Board discussed the issue and then decided at the November 2023 meeting that a 1-time annual performance incentive be given to all full-time employees at the amount of \$100.

See the attached file titled, 6_board minutes.pdf

Witness: David Gifford

7. Refer to the Application, Attachment 11, 11_1_Rattlesnake_Ridge_WD_Rate_Study.xlsx, SAO tab, Cells D22 and D51; also refer to the Wages Tab, Cell M31. Confirm if the Employee Pensions and Benefits amount of \$238,631 and the Taxes other Than Income amount of \$53,557 both contain the same \$53,557 for FICA and MC Expense.

Response: The attached file, 7_July 17 23 LDearfield.pdf, is a copy of the email from RRWD's auditor, which provides a breakdown of the \$238,631 amount. The attached file, 7_Jan 17 23 email LDearfield.pdf is a copy of the auditor's response provided to this inquiry.

Witness: David Gifford

8. Refer to Schedule of Adjusted Operations adjustment "M" which requests amortization of estimated rate case expenses of \$8,250 over a three-year period. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses incurred to date for the following categories:

- (1) Accounting;
- (2) Engineering;
- (3) Legal;
- (4) Consultants; and

(5) Other Expenses (Identify separately).

Response: Refer to the application attachment 11 (4) file titled: 11_4_RRWD ARF assistance acceptance.pdf. The district's application did not request recovery for rate case expenses other than the \$8,250 in the KRWA assistance agreement.

Witness: David Gifford

b. For each category identified in Item 7.a., the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the test year.

Response: Refer to the response to 8. a. KRWA has not provided an invoice to the district as of the date of this filing.

Witness: David Gifford

c. An itemized estimates of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in Item 7.a., with an

estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

Response: Refer to the response to 8.a. and 8.b.

Witness: David Gifford

d. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in Items 7.a. and 7.b., and a cumulative total of cost incurred to date for each category. Updates will be due when the utility files its monthly financial statements with the Commission, through the month of the public hearing.

Response: The only additional direct rate case expense the district will incur is the cost of publishing the public notice. See the attached file titled, 8_d_newspaper invoice.pdf

Witness: David Gifford

9. Refer to Rattlesnake Ridge 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 Rattlesnake Ridge District billing cycle begins (meter read date). 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: The District reads it's meters on the first of the month. Yes, as requested in the application cover letter the first of the month would be the best effective date for rates authorized by the Commission.

Witness: David Gifford

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

a. Explain whether Rattlesnake Ridge District considered filing a COSS with the current rate application and the reasoning for not filing one.

Response: RRWD is not proposing a revision to its current rate design and has not experienced any material revisions in its operations of the system, that would create the need for the preparation of a COSS.

Witness: David Gifford

b. Explain whether any material changes to Rattlesnake Ridge District system would cause a new COSS to be prepared since the last time it completed one.

Response: RRWD is a rural water system, providing water predominately to residential customers. RRWD does not presently plan any material revisions in the operations of the system that would necessitate the preparation of a COSS.

Witness: David Gifford

c. If there have been no material changes to Rattlesnake Ridge District system, explain when Rattlesnake Ridge District anticipates completing a new COSS.

Response: No material revisions in the operations of the system are currently planned. RRWD does not anticipate preparing a COSS, to support an adjustment to its service rates.

Witness: David Gifford

d. Provide a copy of the most recent COSS that has been performed for Rattlesnake Ridge District system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: Current RRWD staff members are unaware of a COSS being performed for the utility.

Witness: David Gifford

11. Refer to the Application, Schedule of Adjusted Operations.

a. Explain the reduction to Water Sales Revenues by the amount of \$188,328.

Response: The amount adjusts test year revenues reported in the 2022 Annual Report to the billing analysis.

Witness: Sam Reid

b. Explain the notation in the Schedule of Adjusted Operations references (B), that describes the above adjustment as the result of an increase in rates.

Response: The district increased rates during the test year authorized by the Commission in Case No. 2022-00426. The reference statement would be better stated as the net adjustments for the increase in rates, billing adjustments and the test year billing analysis.

Witness: Sam Reid

c. Explain if there are any additional revenues in the Total Metered Retail Sales of \$3,077,405 (such as Forfeited Discounts or Other Water Revenues).

Response: See the attached files titled, 11_c_metered sales breakdown.pdf

Witness: David Gifford

12. Provide a schedule listing the number of occurrences for each nonrecurring charge that was recorded during the test year, the total amount recorded, and the general ledger accounts where amounts were 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: See attached file titled ,12_NRC Charges.pdf

Witness: David Gifford

13. Provide updated cost justification sheets to support each nonrecurring charge listed in Rattlesnake Ridge District's tariff.

**Response: See the attached files titled:
13_nonrecurring charges.pdf**

Witness: David Gifford

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

Response: See the attached file titled: 14_revised tap fee charge.pdf

Witness: David Gifford

15. Provide all Rattlesnake Ridge District's Board of Commissioner minutes discussing and subsequently authorizing a new office building. Include any relevant financing information in the response.

Response: See the attached file titled: 15_minutes new building.pdf

Witness: David Gifford

16. Refer to the Application, Attachment 5 current rate the Billing Analysis and Attachment 6, the proposed rate Billing Analysis. Provide the billing analysis in a completed

form, the billing analysis filed in the application the usage table is incomplete it shows no usage spread within the table.

Response: The district's billing software provided the usage data in a sorted format. The reports relied upon by RRWD staff to produce the billing analysis are attached. See the attached files titled:

16_water usage analysis.pdf

16_PART2 bills analysis.pdf

Witness: David Gifford