

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LYON COUNTY)
WATER DISTRICT #3 FOR AN ALTERNATIVE RATE)
ADJUSTMENT PURSUANT TO 807 KAR 5:076)
CASE NO. 2023-00400

VERIFICATION OF MATHEW BLANE

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF LYON)

Mathew Blane, on behalf of Lyon 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.



Mathew Blane

The foregoing Verification was signed, acknowledged and sworn to before me this 2nd day of March, 2024, by Mathew Blane.



Commission expiration: 4/17/2026



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LYON COUNTY)	CASE NO.
WATER DISTRICT FOR AN ALTERNATIVE RATE)	2023-00400
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

VERIFICATION OF ARIEL BAKER

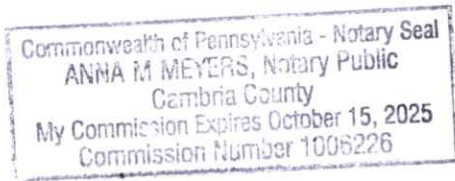
COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF <u>CAMBRIA</u>)

Ariel Baker, on behalf of Lyon County Water District, 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.

Ariel Baker
Ariel Baker

The foregoing Verification was signed, acknowledged and sworn to before me this 21 day of March, 2024, by Ariel Baker.

[Signature]
Commission expiration: 10/15/25



Lyon County Water District
Case No. 2023-00352
Commission Staff's First Request for Information

Witnesses: Mathew Blane #1a-c, 1e-1g, 3a, 5a-e, 6-10, 11a-b, 14a-b, and 15-17a-b
Ariel Baker #1d, 2

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, 2022 and 2023 for both water and sewer divisions.

Response:

Please reference the below file for this information:

Item #1a General Ledger.xlsx

b. The trial balance in Excel spreadsheet format for the years ended December 31, 2022 and 2023 for both water and sewer divisions.

Response:

Please reference the below files for this information:

Item #1b 2022 Trial Balance.xlsx

Item #1b 2023 Trial Balance.pdf

c. Identify and sewer specific expenditures that are recorded in the same general ledger accounts as water expenditures. Also identify any general ledger accounts that are sewer specific.

Response: There were no sewer specific expenditures that are recorded in the same general ledger accounts as water expenditures.

d. Refer to the Schedule of Adjusted Operations – Water. Provide a cross reference that points each 2022 general ledger account to each revenue and expense line in the Schedule of Adjusted Operations and reconcile each amount that does not match.

Response: Please reference the below document at the tab entitled “ATB to AR”:

Rate Study Lyon County Water District.xlsx

- e. Refer to the Schedule of Adjusted Operations – Water, Misc Service Revenue. List each revenue component, its pro forma amount, and confirm that the item will recur. If not confirmed, explain why not.

Response: See the table below for the pro forma amounts for Misc Service Revenue. These items are expected to recur in the future.

Field Collection Charge	\$	37
Returned Check Charge		674
Reconnect Fee		5,350
Meter Readout Charge		1,548
Reread Charge		<u>492</u>
Miscellaneous Adjustments	\$	<u><u>8,101</u></u>

- f. A document that lists each position, job title, hire date, termination date, test year hours worked, test year pay rates, total wages paid, full or part time status, and total FICA cost for each employee for the calendar year 2022. Employee names or other identifying information should not be listed. If a position is recently vacated but the intent is to fill it, not the vacancy and the amount of time that it has been vacant. That table should include a column for total wages by employee (regular wages and overtime) and a row for total wages for all employees.

Response: Please see the referenced file below for this information:

Item #1f Employee Date For 2024 Rate Study.xlsx

- g. Provide the minutes from each Board of Commissioner’s meetings for the calendar years 2021, 2022, and 2023.

Response: Please reference the file below for this information:

Item #1g Board Meeting Minutes 2021 through 2023.pdf

2. Provide the method and justification used for any cost allocations between the water and sewer divisions.

Response: All cost allocations between the water and sewer divisions to obtain the adjustments in the rate study utilized the number of customer method to calculate them. Please reference the Allocations tab of the following document for further information:

Rate Study Lyon County Water District.xlsx

3. Refer to Schedule of Adjusted Operations.

- a. Provide a list of contracted services by supplier and the test year dollar amounts for each to account for the total of \$103,327.

Response: The test year amount for contracted services was actually \$115,634 for the calendar year ended December 31, 2022. Please refer to the attached file labeled Item #3a General Ledger.pdf for the contract amounts by supplier.

- b. State where the \$30,224 upgrade cost described in Adjustment G is classified in the general ledger.

Response: This would be recorded as an asset on Lyon District's books and amortized over five years for an annual cost of \$6,045.

- c. State where the five-year amortization of the installation costs is classified.

Response: This would be amortized in account 407.3, Amortization of Other Utility Plant, pursuant to the UsaA.

4. Provide a detailed fixed asset listing.

Response: Please reference Item #4 Fixed Asset Listing.pdf for this information.

5. Provide the following information related to billing software:

a. Brand or common name for software.

Response: United Systems

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

Response: The current software that the District has received a bid and accepted a quote on has not been installed yet.

c. If locally installed, state the installation date.

Response: The current software that the District has received a bid and accepted a quote on has not been installed yet.

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

Response: The current software that the District has received a bid and accepted a quote on has not been installed yet.

e. Provide the dates of the most recent training that user received on the system.

Response: The current software that the District has received a bid and accepted a quote on has not been installed yet.

6. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty.

Response:

Please see the attached files for this information:

Item #6 KACO Policy.pdf

Item #6 Workers Comp Policy.pdf

7. 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 and 2023. Include the required employee contribution percentage for each benefit.
 - a. Provide a copy of one invoice for 2024 for each employee benefit described above.

Response: Please reference the documentation provided for Item #1f for the data regarding the employee benefits. Also please reference the documentation provided in document Item #7a for the requested invoice.

8. Provide a document listing the name of each member of the Board for each of the calendar years 2022 and 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:

Please see Item #9 Commissioners Information with Minutes.pdf. Please note that the commissioners only receive their salary, no other benefits.

9. Provide documentation from the Fiscal Court that authorizes each Board member's appointment and compensation.

Response:

Please see attached to this filing:

Item #9 Commissioners Information with Minutes.pdf

10. Provide training records for each commissioner for 2021, 2022, and 2023.

Response:

Please see attached to this filing:

Item #10 Board Members.pdf

11. Refer to Lyon District's current water Tariff on file with the Commission, PSC KY No. 1, First Revised Sheet No. 5, Canceling PSC Original Sheet No. 5, Billing, Collection and Penalties paragraph. This paragraph states that the meter reading begins on the 15th of each month.

- a. Confirm whether Lyon District's billing cycle begins (meter read date) on the 15th of each month. If not confirmed, explain why not.

Response: Confirmed.

- b. State whether the 15th of the month of the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

Response: Yes, this would be the best effective date.

12. Refer to Lyon District's current sewer Tariff on file with the Commission, PSC KY No. 1, Original Sheet No. 3, rules and Regulations, Billing and Collection.

- a. Confirm the date that Lyon District's billing cycle begins (meter read date) on the tenth. If not confirmed, explain why not.

Response: Confirmed.

- 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, this would be the best effective date.

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

Response:

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

Response: Lyon District did not consider filing a COSS with the current rate application. Lyon District believes that its rate structure is adequate and an across the board increase is reasonable.

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

Response:

There have been no material changes to Lyon District's system that would warrant a new COSS to be prepared.

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

Response:

Lyon District has new future plans to complete a new COSS.

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

Response:

Lyon District does not have records indicating when the last COSS was performed.

14. Provide a schedule listing the number of occurrences for each nonrecurring charge that were 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. Designate division separately as follows:

- a. Water System.
- b. Sewer System.

Response: Lyon County Water District requests an extension of time to respond to this request of 5 additional days. Lyon's District's software does not allow for the separation between sewer and water non-recurring charges in sufficient detail to respond to this request. Lyon District will work with their software provider to formally respond.

15. Provide updated cost justification sheets to support each nonrecurring charge listed in Lyon District's water tariff and sewer tariff.

Response:

Please see the below referenced files for the information:

Item #16 Water Meter Tap.pdf

Item #16 Sewer Connection Tap.pdf

16. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Lyon District's water tariff and sewer tariff.

Response:

Please see the below referenced files for the information:

Item #16 Water Meter Tap.pdf

Item #16 Sewer Connection Tap.pdf

17. Refer to the Application, Attachment 4, Sewer System Schedule of Adjusted Operations.

- a. Confirm that there were no occurrences of Sewer Late Payment Penalties or sewer Returned Check Charges.
- b. Explain the omission of allocated revenues to the Sewer Operations for the Sewer Late Payment Penalties or Sewer Returned Check Charges.

Response:

- a. The district charges a late payment on sewer if a check is returned. All of the returned check charges of charges to the water account. Please find attached Item #17 Late Fees Charged to Sewer Accounts.xlsx for a listing of all accounts where this occurred in 2022.
- b. The billing software charges 100% of late fees to the water account.

18. Refer to the Application, the Current Billing Analysis for water and sewer operations and the Proposed Billing Analysis for water and sewer operations.

- a. Provide these billing analyses in Excel Spreadsheet format with all formulas, rows and columns unprotected and fully accessible.
- b. Provide a list of applicable billing adjustments made to the billing analyses and include an explanation of each adjustment.

Response:

- a. Please see Item #18a Billing Analysis.pdf for this information.
- b. Please see Item #18b Billing Adjustments.pdf for the information related to the billing adjustments.