

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

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

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RESPONSE OF MUHLENBERG COUNTY WATER DISTRICT #3  
TO THE COMMISSION STAFF'S FIRST REQUEST FOR  
INFORMATION DATED JANUARY 9, 2024





**Muhlenberg County Water District #3**  
**Case No. 2023-00400**  
**Commission Staff's First Request for Information**

**Witnesses:** Cindy Darr #1a-b, 2-10,13-16, and 18  
Robert K. Miller #1c-d, 11-12, 17, and 19

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.
  - b. The trial balance in Excel spreadsheet format for the years ended December 31, 2022 and 2023.
  - c. Refer to Application Schedule of Adjusted Operations. 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.
  - d. Refer to Application Schedule of Adjusted Operations. Distribute the increase of \$38,737 in pro forma labor costs in the following format.

<u>Description</u>	<u>Amount</u>	<u>Percent</u>
Gross Test Year Wages		
Charged to Tap Fees / Capitalized ( )		
Reported Test Year Wages		
Wage Rate Inflation		
Merit / Promotional Increases		
Positions Added Since Beginning of Test Year		
Turnover During Test Year		
Pro Forma Wages		

**Response:**

- a. See files **1a\_2022\_General\_Ledger**  
**1a\_2023\_General\_Ledger**
- b. See files **1b\_2022\_Trial\_Balance**  
**1b\_2023\_Trial\_Balance**
- c. See file **1c\_Cross\_Reference**

d.	Description	Amount	Percent
	Gross Test Year Wages	\$318,235	
	Charge to Tap Fees / Capitalized	<u>(18,000)</u>	
	Reported Test Year Wages	\$300,235	
	Wage Rate Inflation	0	0.00%
	Merit/ Promotional Increases	38,737	12.90%
	Positions Added Since Test Year	0	0.00%
	Turnover During Test Year	<u>0</u>	0.00%
	Pro Forma Wages	\$338,972	12.90%

2. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2022, and 2023.

**Response: See file 2\_Insurance**

3. Provide a description of all employee benefits, other than salaries and wages, paid to or on behalf of each employee for the calendar year 2022. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents.

**Response: See file 3\_Benefits\_Description**

4. Provide a copy of one invoice for 2023 for each employee benefit described above.

**Response: See file 4\_Benefits\_Invoices**

5. Using a table format, provide an Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected that lists each position (Position 1, Position 2, etc.), job title, hours worked, pay rates, total wages paid, and total FICA cost for each employee for the years ended December 31, 2022, and December 31, 2023. Additionally, provide calculations by employee that support pro forma wages of \$338,972. Include the date the employee was hired and, if applicable, the employee's termination date. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant. The table should include a column for total wages by employee (regular wages and overtime) and a row for total wages for all employees. Employee names should be redacted from all documents.

**Response: See file 5\_Total\_Wages\_Paid**

6. Using the same table that lists each position and wage information, list each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and the adjustment based on Bureau of Labor Statistics (BLS) contribution rates, if applicable. If health insurance is provided designate the coverage type (i.e., single, family, couple, or parent plus). If benefits other than medical insurance are provided, include a total column for the cost of all benefits excluding the BLS adjustment.

**Response: See file 6\_Benefits**

7. Provide the minutes from Muhlenberg District #3's Board of Commissioners meetings for the calendar years 2022 and 2023.

**Response: See files 7\_2022\_Minutes  
7\_2023\_Minutes**

8. Provide a document listing the names 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: See file 8\_Board\_Members**

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

**Response: See files**

**9\_Board\_Pay\_Approval**

**9\_Billy\_Holland\_Appointment**

**9\_Deric\_Doss\_Appointment**

**9\_Don\_Garrett\_Reappointment**

**9\_Doug\_Anderson\_Reappointment**

**9\_Robert\_Woodburn\_Reappointment**

10. Provide training records for each board member for 2022 and 2023.

**Response: Muhlenberg District #3 does not have any training record for Don Garrett or Doug Anderson for 2022. Muhlenberg District #3 reached out to Jamie Wilson at KY PSC to obtain this information. After doing some searching, she informed Muhlenberg District #3 to submit these 2 cases and was told by PSC staff that this would suffice.**

See files 10\_2021-00477  
10\_2023-00021  
10\_Billy\_Holland\_Training  
10\_Deric\_Doss\_Training  
10\_Doug\_Anderson\_Training

11. Refer to Application, Attachment 4.

- 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.
- b. Refer to Application Schedule of Adjusted Operations, Reference "B". Provide the specific Board minutes date where hourly wage increases of \$1.50 for 2024 and \$1.00 for 2025 were approved. Also, confirm whether any employees are paid a salary and, if so, whether increases were approved for these positions as well.

**Response:**

- a. **See file      Rate\_Study\_Muhlenberg\_No\_3              Tab SAO   Column J**
- b. **General Manager is a salaried position. The increases were approved for that position as well.**

**See file      11b\_August\_2023\_Minutes**

12. Provide a detailed fixed asset listing for 2022.

**Response: See file 12\_Asset\_List\_2022**

13. Provide the number of gallons of water purchased, the cost of purchases, and the average cost of purchases for each supplier and in total for the years ended December 31, 2023.

**Response: Muhlenberg District #3 purchases water from Central City. In 2023, we purchased 163,627,400 gallons from them for a total cost of \$623,420.39 for an average cost of \$3.81 per thousand gallons.**

14. Provide the number of occurrences and the dollar amount for late fees that were recorded during the calendar years 2022 and 2023.

**Response: See file 14\_Late\_Fees**

15. Provide the total amount recorded for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was recorded during the calendar years 2022 and 2023 and the general ledger account they are listed in.

**Response: See file 15\_Nonrecurring\_Charges**

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

**Response: The updated cost justification sheets for all nonrecurring charges will be updated and submitted shortly.**

17. Provide a copy of the current and proposed billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

**Response: See file Rate\_Study\_Muhlenberg\_No\_3  
Tab ExBA for Current Billing Analysis  
Tab PropBA for Proposed Billing Analysis**

18. Refer to Muhlenberg District #3's current tariff dated February 13, 2023, Rules and Regulations, Meter Reading and Billing Procedure.

- a. Provide the date that the 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. Meters are read on the business day closest to the 15th of each month.**
- b. The 15th of the month would be best stated as the effective date of any order the Commission issues concerning rates in this case.**

19. State the last time a cost of service study (COSS) was performed to review the appropriateness of its current rates and rate design.
- a. Explain whether conducting a COSS was considered for the current rate application and the reasoning for not filing one.
  - 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.
  - c. If there have been no material changes to the utility's system, explain when preparation of a new COSS anticipated.
  - 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. **No, Muhlenberg District #3 did not consider filing a COSS with the current rate application. There have been no material changes to the District's system that would create the need for a new COSS to be prepared.**
- b. **A new COSS would be appropriate if material changes in customer usage patterns were to occur.**
- c. **A new COSS would be appropriate if material changes in customer usage patterns were to occur.**
- d. **Muhlenberg District #3 was unable to find a copy of the most recent COSS study spreadsheets.**