

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF PEAKS MILL)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT)	2023-00401
PURSUANT 807 KAR 5:076)	

RESPONSE OF PEAKS MILL WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED DECEMBER 21, 2023

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION


In the Matter of:

ELECTRONIC APPLICATION OF PEAKS MILL)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT)	2023-00401
PURSUANT 807 KAR 5:076)	

VERIFICATION OF NANCY SHERROW

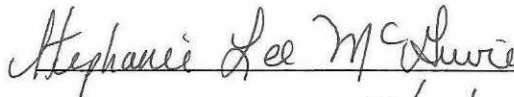
COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF FRANKLIN)

Nancy Sherrow, Peaks Mill 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 her knowledge, information and belief, formed after reasonable inquiry.



 Nancy Sherrow

The foregoing Verification was signed, acknowledged and sworn to before me this 17 day of January, 2024, by Nancy Sherrow.



Commission expiration: 7/20/25
KYN#33434



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

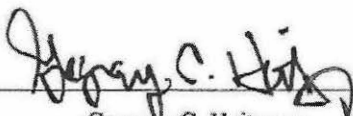
In the Matter of:

ELECTRONIC APPLICATION OF PEAKS MILL)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT)	2023-00401
PURSUANT 807 KAR 5:076)	

VERIFICATION OF GREGORY C. HEITZMAN


COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF JEFFERSON)

Gregory C. Heitzman, on behalf of Peaks Mill 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.



 Gregory C. Heitzman

The foregoing Verification was signed, acknowledged and sworn to before me this 18 day of January, 2024, by Gregory C. Heitzman.


 Commission expiration: 4/24/25
 KYNP24034



COMMONWEALTH OF KENTUCKY

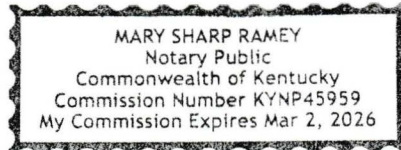
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF PEAKS MILL) CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT) 2023-00401
PURSUANT 807 KAR 5:076)

VERIFICATION OF ROBERT K. MILLER

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)



Robert K. Miller, Kentucky Rural Water Association on behalf of Peaks Mill 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 17 day of January, 2024, by Robert K. Miller.

Mary Sharp Ramey

Commission expiration: March 2, 2026

**Peaks Mill Water District
Case No. 2023-00401
Commission Staff's First Request for Information**

Witnesses: Nancy Sherrow #1-5, 8
Gregory C. Heitzman #7, 9-10
Robert K. Miller #6

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.

Response: See files **1a_GL_2022**
 1a_GL_2023
 1a_Trial_Balances

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

Response: The audit for 2023 has not begun so there are no audit adjustments for 2023. There were no audit adjustments for 2022.

- c. Provide a reconciliation of the general ledger to the Schedule of Adjusted Operations if more than one general ledger account is included in an operating expense category (e.g., three general ledger accounts make up Contractual Services – Other; or, 5 general ledger accounts make up Miscellaneous Expenses).

Response: See file **1c_TB_to_PSC_Reconciliation**

- d. Minutes from Peaks Mill District's commissioner meetings for the calendar years 2022 and 2023.

Response: See files **1d_Minutes_2022**
 1d_Minutes_2023_YTD

- e. Copies of property, automotive and liability insurance invoices, and coverage declarations for 2022 and 2023.

Response: See file **1e_Insurance_Invoices**

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

Response: See file 1f_Jobs_and_Pay

- g. State whether each employee is full or part-time.

Response: All employees are part-time.

- h. Minutes from Peaks Mill District's commissioner meetings, authorizing current salaries and wage rates for all current employees.

Response: See file 1h_Salary_Authorization

- i. 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. Include the required employee contribution percentage for each benefit.

Response: Commissioners receive no additional benefits.

- j. A document listing the name of all commissioners for the years 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: Commissioners are paid a salary of \$300.00 per month.

2022	Salary	FICA
Church Quarles	\$3,600.00	\$275.40
Raven Turner	\$3,600.00	\$275.40
Ross Thompson	\$3,600.00	\$275.40

2023	Salary	FICA
Church Quarles	\$3,600.00	\$275.40
Raven Turner	\$3,600.00	\$275.40
Ross Thompson	\$3,600.00	\$275.40

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

Response: A new county judge executive, Michael Mueller, was elected and started on 1/01/2023. We have not received any

documentation for Chairman Church Quarles to be reappointed effective 1/01/2023. Chairman Quarles has meet with Michael Mueller a few times during the year and has mentioned it but we have not received any document from fiscal court.

The term for Ross Thompson expired on 12/31/2023 and Raven Turner resigned on 12/31/2023 because she had moved out of the district.

Fiscal Court does not list salaries when a new commissioner is appointed or reappointed. Chairman Quarles has been Commissioner since 1/01/2003 and states he has always received \$300.00 per month.

Franklin County Fiscal Court Clerk was unable to locate minutes that authorize the annual compensation for each commissioner.

See file 1k_Fiscal_Court_Minutes

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

Response: Current employees are all part time and do not receive any benefits – there are no invoices.

3. State whether Peaks Mill District sources any purchased water from any source other than Frankfort Plant Board and, if so, provide the amount purchased in gallons (Omit 000's) and the cost for each source for the test year.

Response: Peaks Mill Water District also purchases water from Kentucky-American Water Company.

2022 Water Purchases from Frankfort Plant Board

Volume: 79,094,942 gallons

Cost: \$229,866.97

2022 Water Purchases from Kentucky-American Water Company

Volume: 29,500,510 gallons

Cost: \$162,537.22

**See Files 3_FPB_Purchased_Water_2022
3_KAW_Purchased_Water_2022**

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

Response: There were 18 new water connections were installed in 2022 (15 new service lines and meters and 3 new meters on existing service lines).

5. Refer to Peaks Mill District's Tariff, PSC Ky. No. 2, Original Sheet No. 4, Billing, Meter Readings and Related Information, Frequency of meter reading.
- a. Confirm the date that Peaks Mill District billing cycle begins (meter read date).

Response: The billing cycle start dates with receipt of meter reading data and varies from the 16th to the 20th.

- 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: The 18th of the month would be the preferred effective date of any order the Commission issues concerning rates in the case.

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

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

Response: Peaks Mill District filed a cost-of-service study with the current rate application.

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

Response: This application is based upon a cost-of-service study. The District has added one large customer with a 4-inch meter. The District previously served only residential and a small number of commercial customers. A new rate structure is proposed based upon the AWWA Commodity-Demand Method. A new retail rate structure with minimum bills specific to each meter size is proposed.

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

Response: A new COSS would be appropriate if material changes in customer usage patterns were to occur.

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

Response: A copy of the most recent cost-of-service study was submitted to the Commission on December 4, 2023 as part of ARF application documents.

See file **Rate_Study_2023_FINAL_BOARD_APPROVED.xlsx**

8. 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:	Occurrences	Amount	GL Account
Returned Check Charge	24	\$ 581.00	461.1
Late Payment Charge	2,210	\$13,429.68	471.1
Service Call/Investigation Charge	0	\$ 0.00	461.1
Service Line Inspection Charge	0	\$ 0.00	461.1
Service Reconnection Charge	56	\$ 2,800.00	461.1
Meter Relocation Charge	0	\$ 0.00	461.1
Meter Re-Read Charge	0	\$ 0.00	461.1
Meter Test Charge	0	\$ 0.00	461.1
Service Transfer Fee	62	\$ 1,550.00	461.1
Fire Department Nonreporting Penalty	0	\$ 0.00	461.1

In the General Ledger file, there are not any account numbers but New Meter (account name) has activity for Capital Contributions—Tapping Fees; Reconnect Fees(account name) has the reconnection fees, Returned Check(Account name) has the return check fee activity.

9. Provide updated cost justification sheets to support each nonrecurring charge listed in Peaks Mill District's tariff.

Response: See file 9_Nonrecurring_Charges_Cost_Justifications

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

**Response: For services of 5/8" x 3/4", the charge will be \$3,500.00.
See file 10_Tap_Fee_Cost_Justification_58X34**

For sizes larger than 5/8X3/4-Inch, the charge will be the actual cost. The customer will be required to make a deposit based on the estimated cost of the installation and materials. The final charge will be adjusted to actual cost, by either a refund or an additional amount.

See file 10_Tap_Fee_Cost_Justification_Larger_Than_58X34