

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
GARRISON-QUINCY-KY-O-HEIGHTS WATER DISTRICT) 2023-00408

RESPONSE OF GARRISON-QUINCY-KY-O-HEIGHTS WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED JANUARY 10, 2024

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF) CASE NO.
GARRISON-QUINCY-KY-O-HEIGHTS WATER DISTRICT) 2023-00408

VERIFICATION OF TRENT UNDERWOOD

COMMONWEALTH OF KENTUCKY)
COUNTY OF Lewis)


Trent Underwood, Kentucky Rural Water Association on behalf of Garrison-Quincy-Ky-O-Heights 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.



Trent Underwood

The foregoing Verification was signed, acknowledged and sworn to before me this 15 day of February, 2024, by Trent Underwood.

#KYNP35491



Commission expiration: 9/2/25.

Garrison-Quincy-Ky-O-Heights Water District
Case No. 2023-00408
Commission Staff's First Request for Information

Witnesses: Trent Underwood #1-8, 10-16, 18, 20-23, and 26
Robert K. Miller #9, 17, 19, and 24-25

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 files for this information:

Item 1a 2022 Ledger Analysis.xlsx
Item 1a 2023 Ledger Analysis.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 Report.xlsx
Item 1b 2023 Trial Balance Report.xlsx

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.

Response:

Please see the below file for this information:

Rate Study Garrison Quincy.xlsx Tab 1c Reconciliation AR to TB

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

Response:

Please see the attached files for this information:

Item 2 Insurance 2022.pdf

Item 2 Insurance 2023.pdf

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:

Please see the attached file for this information:

Item 3.xlsx

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

Response:

Please see attached the PDF file entitled Item 4.

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 titles, hours worked, pay rates, total wages paid, and total FICA cost for each employee for the years ended December 31, 2022, and 2023 for both water and sewer divisions. Additionally, provide calculations by employee that support pro forma wages of \$185,217. 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:

Please is attached to this filing:

Item 5 2022 Sewer.xlsx

Item 5 2022 Water.xlsx

Item 5 2023 Sewer.xlsx

Item 5 2023 Water.xlsx

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:

Please attached to this filing:

Item 6 2022.xlsx

Item 6 2023.xlsx

7. 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 software is locally installed on utility-owned computers

c. If locally installed, state the installation date.

Response:

April 4, 2008

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

Response:

The District pays a yearly fee of \$4,170.00 for software support and updates.

Note: Due to the software being obsolete, we are required to upgrade the entire system in 2024.

8. Provide minutes from Garrison District's commissioner meetings, authorizing current salaries and wages for all current employees.

Response:

Please see the corresponding file labeled Item 8.pdf for this information.

9. Refer to the Application, Schedule of Adjusted Operations, Adjustment References. Provide all workpapers used to generate the proposed adjustments.

Response:

Please refer to the spreadsheet entitled Rate Study Garrison Quincy.xlsx for this information.

10. Provide the minutes from Garrison District's commissioner meetings for the calendar years 2022 and 2023.

Response:

Please reference the following attachments for this information:

Item 10 2022.pdf

Item 10 2023.pdf

11. 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 refer to the following documents for this information:

Item 11 2022.xlsx

Item 11 2023.xlsx

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

Response:

Please reference the three attached documents for this information:

Item 12a.pdf

Item 12b.pdf

Item 12c.pdf

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

Response:

Please refer to the document entitled Item 13.pdf for this information.

14. Provide the method and justification used for any cost allocation between the water and sewer divisions.

Response:

Please refer to the attachment Item 14.pdf for this information.

15. Provide the following with respect to new tap installations.

- a. Number of installations during the test year.

Response:

There were 6 new water tap installations in the test year.

- b. State whether labor costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

Response:

Labor costs were not capitalized.

- c. State whether material costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

Response:

The meter cost was the only thing capitalized. It was for the amount of \$443.75. It is listed under "Pumping Equipment" in our audit.

16. Refer to Garrison District's Tariff, PSC Ky. No. 1, Original Sheet No. 11, Billing, Meter Readings and Related Information, Frequency of meter reading.

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

Response: Our bills are generated and mailed between the 1st and 3rd of each month. Meter reading is around the 15th 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: The 1st day of the month would be the best time for any orders to begin.

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

Response:

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

Response:

Garrison District did not consider filing a COSS with the current rate application because it believes that its current rate structure is reasonable and appropriate.

- b. Explain whether any material changes to Garrison 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 Garrison District's system that would warrant a new COSS to be prepared.

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

Response:

Garrison District would complete a new COSS if there were material changes to customer demand patterns.

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

Response:

Please refer to the attachment entitled Item 17d Cost of Service Study for this information. This information was filed as part of Garrison Quincy District's amended application in Case No. 2007-00476.

18. Refer to the Application, Schedule of Adjusted Operations, provide an itemization of the Other Water Revenues, stated as \$32,187.

Response:

Other Water Revenues is stated at \$28,019. The breakdown is as follows:

Other Water Revenues

Late Payment Penalties	\$	23,429
Misc Receipt Check		4,165
Misc Receipt Cash		426

19. Refer to the Application, Current Billing Analysis 2022 Usage and Existing Rates and Proposed Billing Analysis 2022 Usage and Proposed Rates. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response:

Please refer to the spreadsheet entitled Rate Study Garrison Quincy.xlsx for this information.

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

Response:

Please refer to the following attachments for this information:

Item 20 2022.xlsx

Item 20 2023.xlsx

21. Provide a schedule listing the number of occurrences for each nonrecurring charge that was recorded during the test year and the total amount 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:

Please refer to the following attachments for this information:

Item 21 Sewer.xlsx

Item 21 Water.xlsx

22. Provide updated cost justification sheets to support each nonrecurring charge listed in Garrison District's tariff.

Response:

Updated cost justification sheets are in the below referenced files:

Item 22 Sewer.pdf

Item 22 Water.pdf

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

Response:

Updated cost justification sheets are provided in the below reference files:

Item 23 Sewer.pdf

Item 23 Water.pdf

24. Refer to the Application, Appendix A, Current and Proposed Monthly Rates, Water Division. Garrison District is proposing a Water Loss Reduction Surcharge of \$0.73 while the current Water Loss Reduction Surcharge is \$1.73. Explain this discrepancy or state if this is simply a typographical error.

Response:

This is a typographical error. The customer notice indicates a surcharge of \$1.73, so Appendix A is in error. Therefore, the notice should not have to be rerun based on this error.

25. Refer to the Application, Appendix A, Current and Proposed Monthly Rates, Water Division. Garrison District indicates a 1-inch monthly minimum bill of \$78.30 and a usage rate of \$5.32 per 1,000 gallons. However, the current tariff on file and current rate schedule shows a monthly minimum of \$88.33 and usage rate of \$6.00. Explain this discrepancy.

Response:

Appendix A correctly states in \$88.33 monthly minimum and usage rate of \$6.00. However, the billing analysis does state the \$78.30 monthly minimum and usage rate of \$5.32. This is a typographical error. It does not have a material impact on the billing analysis however, because there was no reported usage for the customer block during the test year.

26. Refer to the Application, Current Billing Analysis. Garrison District shows a wholesale rate to the city of South Shore but this rate is not included in its current tariff. Provide the most recent instance in which this rate was increased and explain why it is not included in Garrison District's current tariff.

Response:

The wholesale rate contract to the City of South Shore was accepted and recorded in 2015. I do not know why it was not ever listed in our tariff.

In 2021, we went through a rate increase and it was not added into the tariff at that point either. Possibly, it was overlooked due to the Wholesale Rate not having an increase at that time.

The Wholesale Contract is on file with the PSC and we will add the wholesale rate to our tariff when this current rate increase is complete unless the PSC staff sees that it is necessary to do so before that time.