

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF ) CASE NO.  
LEVEE ROAD WATER ASSOCIATION, INC. ) 2024-00067

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VERIFICATION OF BEN RUDD

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COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF Montgomery )

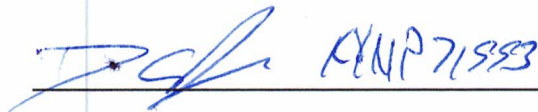
Ben Rudd, Manager of Levee Road Water Association, Inc., states that he has supervised the preparation of certain responses to the Request for Information in the above-referenced case and that the matters and things set forth are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



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Ben Rudd

The foregoing Verification was signed, acknowledged and sworn to before this 17 day of July, 2024. By Ben Rudd.



Commission expiration: 5-13-27

LEVEE ROAD WATER ASSOCIATION, INC.  
CASE NO. 2024-00067 RESPONSE TO COMMISSION  
STAFF'S SECOND REQUEST FOR INFORMATION

1. Refer to the Application, Attachment 4, Schedule for Adjusted Operations; Levee Road Water's response to Commission Staff's First Request for Information (Staff's First Request), Item 7a; and Levee Road Water's response to Staff's First Request, Item 1a, 1\_a\_2022\_General\_Ledger.xlsx, rows 1641 through 1647. Levee Road stated that it does not provide benefits to its employees but also reported retirement benefits of \$427 in the Schedule of Adjusted Operations.

a. Confirm whether Levee Road Water provides retirement benefits. If so, explain the program Levee Road Water uses to provide retirement benefits (i.e., County Employee Retirement System, 401(k), etc.)

**Response: LRWA does not provide retirement benefits to current employees. The \$427 was retirement benefit for the former manager who retired in 2022.**

**Witness: Ben Rudd**

b. Identify what contribution methodology level Levee Road Water uses to determine how much to contribute to employee retirement.

**Response: LRWA does not provide retirement benefits to current employees.**

**Witness: Ben Rudd**

c. If benefits are not provided, state whether the amounts recorded should be reclassified to another expense classification.

**Response: The \$427 was for retirement benefit for the former manager who retired in 2022.**

**Witness: Ben Rudd**

2. Refer to Levee Road Water's response to Staff's First Request, Item 1a, 1\_a\_2022\_General\_Ledger.xlsx, Bad Debt Expense, rows 1339 through 1342.

a. Provide a list of the number of write-offs and the dollar amounts of each write-off during the test year.

**Response: No write-offs were made during the test year. See the attached file titled, 2\_Bad Debt Journal entry.**

**Witness: Ben Rudd**

b. Provide the methodology used by Levee Road Water to record bad debt expense in general.

**Response: Customer Bills that have not been paid become listed as inactive or bad debt.**

**Witness: Ben Rudd**

3. Refer to Levee Road Water's response to Staff's First Request, Items 11a, 11b, and 11c. Levee Road Water reported nine new meter connections were installed during the test year.

a. Confirm that the new meter connections were installed using contract labor. If not, explain who completed the installations.

**Response: Yes, new meter connections are installed by the contractor. I typically go by the site to review and assist with the work when needed.**

**Witness: Ben Rudd**

b. Confirm that the material was not capitalized. If not, explain why.

**Response: Confirmed, this occurred due to human error.**

**Witness: Ben Rudd**

c. Provide the account(s) in which tap fees received were recorded as a revenue and the costs for the tap installations were recorded as an expense.

**Response: The money is coded as tap fees in our billing software.**

**Witness: Ben Rudd**

4. Refer to Levee Road Water's Response to Staff's First Request, Item 1a, 1\_a\_2022\_General\_Ledger.xlsx, Repairs & Mtce, rows 1624 through 1637. Provide copies of each invoice listed in the chart below. Describe each purchase and state whether each item should have been capitalized and if not, why recording as an expense was appropriate.

**Repairs & Mtce.**

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Split</b>	<b>Amount</b>
01/13/2022	12450	McKinney Contracting	Cash - Revenue & Operations	3,325.00
04/14/2022	12507	McKinney Contracting	Cash - Revenue & Operations	1,402.50
05/12/2022	12526	McKinney Contracting	Cash - Revenue & Operations	2,393.00
09/08/2022	12598	McKinney Contracting	Cash - Revenue & Operations	2,230.00
12/21/2022	12659	McKinney Contracting	Cash - Revenue & Operations	1,030.00

**Response: See the attached files titled:**

**4\_invoice\_12450.pdf, contract labor and equipment for repairs**

**4\_invoice\_12507.pdf, contract labor and equipment to set new meters**

**4\_invoice\_12526.pdf, contract labor and equipment for repair and set new meter**

**4\_invoice\_12598.pdf, contract labor and equipment for repairs and set new meters**

**4\_invoice\_12659.pdf, contract labor and equipment for repairs and set new meters**

**Witness: Ben Rudd**

5. Refer to Levee Road Water's response to Staff's First Request, Item 1a, 1\_a\_2022\_General\_Ledger.xlsx, Cell X1519. Also refer to Levee Road Water's response to Staff's First Request, Item 14. Levee Road Water reported \$9,910.52 in penalties during the test year. Confirm whether the reported penalties are late fees. If so, confirm the account in which the late Fee Revenues are recorded. If not, explain the nature of the penalties.

**Response: Yes, these would be late fees. See the attached file titled, 5\_Code Summary Report.pdf**

**Witness: Ben Rudd**

6. Refer to Levee Road Water's response to Staff's First Request, Item 1c, 1\_c\_Trial\_Balance\_2022\_Book\_9.xlsx, Row 1. Also refer to Levee Road Water's response to Staff's First Request, Item 1a, 1\_a\_2022\_General\_Ledger.xlsx. The Trial Balance is dated December 31, 2023. Provide the 2022 Trial Balance.

**Response: See the attached file titled, 6\_2022TB.xlsx**

**Witness: Ben Rudd**

7. Refer to Levee Road Water's response to Staff's First Request, Item 1c, 1\_c\_Trial\_Balance\_2023\_Book\_7.xlsx. Also refer to Levee Road Water's response to Staff's First Request, Item 1a, 1\_a\_2022\_General\_Ledger.xlsx. The spreadsheet supplied is a duplicate of the Excel spreadsheet supplied for Item 1a. Provide the 2023 Trial Balance.

**Response: See the attached file titled, 7\_2023 TB.xlsx**

**Witness: Ben Rudd**

8. Refer to Levee Road Water's response to Staff's First Request, Item 13\_b\_LRWA\_billing\_analysis.pdf. Provide an itemized list of the Total Billing Adjustments of \$9,371.20.

**Response: See the attached file titled, 8\_Transaction History Report 2022.pdf**

**Witness: Ben Rudd**

9. Refer to Levee Road Water's response to Staff's First Request, Item 1a, 1\_a\_2022\_General\_Ledger.xlsx, Misc. Income at rows 1099 through 1102, Item 15\_NRC\_occurrences.pdf, and the Application, Attachment 4, Schedule for Adjusted Operations, Other Water Revenues. Provide a breakdown of items totaling Other Water Revenues of \$3,607.

**Response: The amount was a year-end adjusting journal entry.**

**Witness: Ben Rudd**