

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

In the Matter of:

ELECTRONIC APPLICATION OF OHIO COUNTY	)	CASE NO.
WATER DISTRICT FOR A RATE ADJUSTMENT	)	2024-00127
PURSUANT 807 KAR 5:076	)	

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RESPONSE OF OHIO COUNTY WATER DISTRICT  
TO THE COMMISSION STAFF'S FOURTH REQUEST FOR  
INFORMATION DATED SEPTEMBER 16, 2024



**Ohio County Water District**  
**Case No. 2024-00127**  
**Commission Staff's Fourth Request for Information**

**Witness: Eric Hickman**

1. Refer to Ohio District's response to Commission Staff's Third Request for Information (Response to Staff's Third Request), Item 2. Also refer to Ohio District's response to Commission Staff's First Request for Information (Response to Staff's First Request), Item 4, Employee Wages Pro Forma Excel Sheet.

- a. Explain the difference between Ohio District's statement in its Response to Staff's Third Request that it has 17 employees and the table provided in Ohio District's Response to Staff's First Request that lists a total of 19 employees.

**Response: The difference is 2 part-time employees. Ohio District has 17 full-time and 2 part-time employees.**

- b. Provide the number of full-time employees Ohio District expects to have when fully staffed after the addition of the 3 new employees listed in its request to modify expenses.

**Response: Ohio District expects to have 20 full-time employees when fully staffed.**

- c. Provide the number of part-time employees Ohio District expects to have when fully staffed after the addition of the 3 new employees listed in its request to modify expenses.

**Response: Ohio District expects to have 1 part-time employee when fully staffed.**

2. Refer to Ohio District's Current Tariff, PSC Ky No. 1, Original Sheet No. 43. Also refer to Ohio District's Response to Staff's Third Request, Item 5. Confirm the amount of \$2.53, stated in Ohio District's Response to Staff's Third Request, charged to Ohio District's customers is a flat fee. If not confirmed, state how it is calculated and if there was any change in the fee from the test year to the current date.

**The District has reviewed the current tariff provision and the proposed tariff provision regarding payment by credit/debit and proposes to revise the Rule 4k as follows:**

***“Customers may make payment by credit or debit card online, in person at the District’s office or at the offices of the District’s designated agents, or by telephone. If payment by credit or debit card is declined, the customer’s obligation to pay the billed amount on the due date remains unchanged. Credit and debit card payments are subject to a processing fee to equal to that charged to the utility by the credit or debit card processing company to process the transaction. This fee is generally calculated using a formula applied to the balance of the amount charged to the credit or debit account but may be a flat fee per transaction. Prior to processing the transaction, the District will inform the customer of the fee amount.”***

The processing company assesses the District a fee for each credit/debit card transaction. This fee will vary based upon the amount of the bill and other factors. Each month the processing company submits a bill to the District for the total fee for processing these transactions. Upon receipt of the bill, the District makes payment to the processing company.

When a customer makes payment by credit/debit card, the District assesses a fee to the customer. This fee is added to the amount of the bill. The District bases its fee upon the average processing fee cost per transaction. It periodically reviews the amount assessed by its processing company to determine if the District’s assessed fee is recovering the processing cost.

The District currently assesses a flat fee of \$2.53 per credit/debit card transaction. The fee does not vary. The District last revised the fee in May 2021. The table below shows that the District’s processing fee has recovered the approximate cost of credit/debit card processing fees charged to the District for calendar years 2021 through 2023 by the District’s credit/debit card processor.

Statement	Transactions	Processing Company Charges	Average Processing Fee
01/1/2021	1,423	\$3,591.69	\$2.52
02/1/2021	1,241	\$3,037.48	\$2.45
03/1/2021	1,471	\$3,683.92	\$2.50
04/1/2021	1,450	\$3,844.09	\$2.65
05/1/2021	1,413	\$3,406.52	\$2.41
06/1/2021	1,430	\$3,625.72	\$2.54
07/1/2021	1,496	\$3,744.57	\$2.50
08/1/2021	1,388	\$3,705.44	\$2.67
09/1/2021	1,452	\$4,011.29	\$2.76
10/1/2021	1,521	\$3,858.82	\$2.54
11/1/2021	1,421	\$3,539.25	\$2.49
12/1/2021	1,569	\$3,781.16	\$2.41
2021 Average			\$2.54

Statement	Transactions	Processing Company Charges	Average Processing Fee
01/1/2022	1,509	\$3,908.42	\$2.59
02/1/2022	1,391	\$3,479.93	\$2.50
03/1/2022	1,644	\$3,925.95	\$2.39
04/1/2022	1,512	\$3,686.46	\$2.44
05/1/2022	1,416	\$3,293.07	\$2.33
06/1/2022	1,547	\$3,816.42	\$2.47
07/1/2022	1,685	\$4,428.31	\$2.63
08/1/2022	1,507	\$4,336.92	\$2.88
09/1/2022	1,470	\$4,019.44	\$2.73
10/1/2022	1,769	\$4,706.17	\$2.66
11/1/2022	1,556	\$4,055.70	\$2.61
12/1/2022	1,676	\$3,856.25	\$2.30
2022 Average			\$2.54

Statement	Transactions	Processing Company Charges	Average Processing Fee
01/1/2023	1,648	\$4,459.19	\$2.71
02/1/2023	1,549	\$3,947.19	\$2.55
03/1/2023	1,733	\$4,072.04	\$2.35
04/1/2023	1,735	\$4,261.57	\$2.46
05/1/2023	1,588	\$3,779.90	\$2.38
06/1/2023	1,626	\$3,928.68	\$2.42
07/1/2023	1,807	\$5,031.19	\$2.78
08/1/2023	1,688	\$4,840.83	\$2.87
09/1/2023	1,768	\$4,893.48	\$2.77
10/1/2023	1,656	\$4,432.14	\$2.68
11/1/2023	1,667	\$4,297.50	\$2.58
12/1/2023	1,851	\$4,674.53	\$2.53
2023 Average			\$2.52

Ohio District will continue charging a flat fee until its new billing system is operational. When this system is operational, Ohio District will no longer assess a fee to the customer to recover the cost of assessed to the water district for credit/debit card payments. Instead, the credit/debit card processor will directly assess and collect a fee from the cardholder. The new billing system is expected to be operational within 230 days.

As Ohio District will not be charging any credit/debit card transaction fee to its customers, it will remove the fee from its filed rate schedule when the credit/debit card processor

