

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
SANDY HOOK WATER DISTRICT)	2024-00196

RESPONSE OF SANDY HOOK WATER DISTRICT
TO THE COMMISSION STAFF'S FOURTH REQUEST FOR
INFORMATION DATED JANUARY 22, 2025

**Sandy Hook Water District
Case No. 2024-00196
Commission Staff's Fourth Request for Information**

1. Refer to Sandy Hook District's response to Commission Staff's First Request for Information (Staff's First Request), Items 1a, SHWD_1a_GeneralLedger_2023_Excel.xls.

a. Account Number 9065, Employee Benefits in the amount of \$55,252.32 was reported in the 2023 General Ledger but was reclassified to Account Number 4180, Accrued Health Insurance, as part of the general ledger adjustments. Explain the purpose of this adjustment and why it was reclassified to Accrued Health Insurance.

Response: See file: SHWD_DR4_Auditor-Response_#1

b. Confirm that Sandy Hook District does not offer any other employee benefits. If confirmed, explain the balance in Account Number 9065, Employee Benefits.

Response: In addition to health benefits, Sandy Hook also participates in CERS retirement for its employees. The balance in Account Number 9065 per the Adjusted General Ledger is 0.00.

See file: SHWD_DR3_Adjusted_General_Ledger

c. If not confirmed:

(1) For each employee, provide a list of the benefits that employee utilizes. (Names should be redacted, use Employee 1, Employee 2, etc.)

Response:

(2) For each benefit offered, provide the most recent invoice.

Response:

2. Refer to Sandy Hook District's response to Staff's First Request, Item 1a. SHWD_1a_General_Ledger_2023_Excel.xls., Account Number 9600, Health Insurance. The general ledger account postings report payments to the Kentucky State Treasurer.

a. Explain the purpose of these payments.

Response: See file: SHWD_DR4_Health_Ins_Explanation

b. Explain why they are made to the Kentucky State Treasurer.

Response: See file: SHWD_DR4_Health_Ins_Explanation

c. Explain why there was not a reclassification to Accrued Health Insurance for these Health Insurance payments.

Response: See auditors' response to Question 1.

File: SHWD_DR4_Auditor-Response_#1

3. Refer to Sandy Hook District's response to Commission Staff's Third Request for Information (Staff's Third Request), Item 1a, attachment titled SHW_DR3_Reconciliation_Workbook.xlsx (Reconciliation Workbook). Sandy Hook District reported an OPEB Expense in the amount of (\$20,033). Provide an explanation for this amount.

Response: See file: SHWD_DR4_Auditor-Response_#1

4. Refer to Reconciliation Workbook, Account Number 9279, Purchased Water, in the amount \$9,809.74. Provide the total gallons purchased by Sandy Hook District in 2023 by purchase source.

Response: Sandy Hook provided invoices in Staff's First Request titled "SHWD_1_(7)_Water_purchased_2023" which contained invoices from Sandy Hook's

purchased water vendors that included gallons purchased. Additionally, Sandy Hook is supplying a spreadsheet in this data response which calculates the total gallons purchased indicated on those invoices.

See File: SHWD_Purchased_Water_Totals

5. Refer to Reconciliation Workbook, Account Number 7120, Other Income. Provide an explanation of the remaining items totaling \$8,316.79 in the account after the adjustments.

Response: Account Number 7120, Other Income, is the account where Sandy Hook records collection of a \$2.00 credit card service fee for customers that pay their water bill by credit card.

6. Refer to Reconciliation Workbook, Account Number 7200, Service Income. Provide an explanation of the revenues that make up this account.

Response: This account consists of non-recurring charges such as connection fees for new service, re-connection after service has been disconnected etc.

7. Refer to Reconciliation Workbook, Account Number 7300, Sewer collection Fees. Confirm whether this cost is part of Sandy Hook District's water operations and, if confirmed, provide an explanation of why.

Response: Sandy Hook District is compensated by the city of Sandy Hook for collection and billing of their wastewater customers that reside within the city limits. Sandy Hook District receives \$800 monthly for providing the service to the city.

8. Refer to Reconciliation Workbook, Account Number 9240, System Maintenance and Rep and Sandy Hook District's response to Staff's Second Request for Information (Staff's Second Request), Item 5. Sandy Hook District stated certain items in

the System Maintenance and Repairs account should have been capitalized in response to Item 5b of Staff's Second Request, as shown in the chart below. State whether each of those items, individually, are still included in the adjusted System Maintenance and Repairs account in the Reconciliation Workbook at a reduced amount of \$59,77.42, from the \$105,711.32 amount in the 2023 Trial Balance.

Response: Those items are not included in the System Maintenance and Repairs account.

9. Refer to Sandy Hook District's response to Staff's First Request, Item 9. Sandy Hook District stated that the County Clerks office was busy with early voting and unable to provide Sandy Hook District with Fiscal Court minutes approving the pay rates for Sandy Hook District's commissioners. Provide the requested Fiscal Court minutes approving the pay rates for Sandy Hook District's commissioners and if the information is not available at this time, when does Sandy Hook District expect to have that information to submit into the case record.

Response: Sandy Hook District has reached out again to the County Clerks office about locating the Fiscal Court minutes. Sandy Hook will provide those minutes if the County Clerk is able to locate them.

10. Refer to Sandy Hook District's response to Staff's First Request Item 18.
a. Provide updated cost justification sheets to support Sandy Hook District's 5/8 by 3/4 meter connection/tap-on and any other meter size that is not based on actual costs.

Response: There has been no change in costs since Sandy Hook submitted the cost justification sheets in Staff's First Request.

b. Provide the updated cost justification for each Tap-On Charge employing the Average Meter Connection Expense Cost Justification Format making sure that Section I – Total Expenses and Total Connection Expense at the end are completed properly.

Response: See file: SHWD_DR4_10b