

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
WEBSTER COUNTY WATER DISTRICT)	2024-00199

RESPONSE OF WEBSTER COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED FEBRUARY 11, 2025

Webster County Water District
Case No. 2024-00199
Commission Staff's First Request for Information

Witnesses: Trevor Baldwin # 1a-b, 2, 4-5, 7-12, and 17-20
Robert K. Miller # 1c, 3, 6, and 13-16

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. An Excel spreadsheet, with all formulas, rows, and columns fully accessible and unprotected, containing the general ledger with all transactions for each of the years ended December 31, 2023, and December 31, 2024.

Response: See file 1a_General_Ledger_2023
1a_General_Ledger_2024

Note: 2024 General Ledger is unaudited and subject to change.

- b. An Excel spreadsheet, with all formulas, rows, and columns fully accessible and unprotected, containing the trial balance with all transactions for each of the years ended December 31, 2023, and December 31, 2024.

Response: See files 1b_Trial_Balance_2023
1b_Trial_Balance_2024

Note: 2024 Trial Balance is unaudited and subject to change.

- c. Provide a cross reference that matches each test year general ledger account to each revenue and expense line that is reported in the Schedule of Adjusted Operations (SAO) and reconcile each amount that does not match.

Response: See file 1c_Cross_Reference

2. Provide the following information related to billing software:

- a. Brand or common name for software.

Response: United Systems & Software

- b. State whether the software is locally installed on a utility-owned computer or is a subscription service that is internet based.

Response: Software is locally installed on WCWD computers and data is backed up via their cloud-based service.

- c. If locally installed, state the installation date.

Response: The system was installed in 1992.

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

Response: Webster District pays a monthly service contract with United Systems & Software.

- 3. Refer to the SAO, Revenue Requirements Calculation, and SAO Adjustment References. Provide all schedules used to support each proposed adjustment in Excel format, with all formulas, rows, and columns fully accessible and unprotected. Component details of the schedules should tie to the general ledger accounts that comprise the SAO line item including any adjustment for unreconciled amounts.

Response: See file 3_Rate_Model Tab SAO

- 4. 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, 2023, and December 31, 2024. Overtime hours worked and paid at rates greater than the straight time pay rate should be separated from on call hours paid. 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: See files 4_Employee_Payroll_2023
4_Employee_Payroll_2024**

- 5. Provide a summary of overtime hours worked and the overtime costs that were

incurred due to vacant positions and thus will be eliminated when the vacant positions are filled.

Response: Overtime costs were not inflated due to vacant positions within Webster District. In 2023, Webster District Treatment Plant was running a different schedule than during the year 2024. Therefore, overtime incurred during 2024 was less than 2023. We are in the process of training an employee at the treatment plant but until he has enough on the job training time to take his certification classes for his license, above stated overtime will occur at times.

6. Provide an analysis of the \$66,461 increase in pro forma labor costs compared to the test year in the following format.

Description	Amount	Percent
Gross Test Year Wages	\$455,364	
Charged to Tap Fees/Capitalized ()	(3,600)	
Reported Test Year Wages	451,764	
Wage Rate Inflation		0.00%
Merit/Promotional Increases		0.00%
Positions Added Since Beginning of Test Year		0.00%
Turnover During Test Year		0.00%
Pro Forma Wages	\$518,225	

Response:

Description	Amount	Percent
Gross Test Year Wages	\$455,364	
Charged to Tap Fees/Capitalized	(3,600)	
Reported Test Year Wages	\$451,764	
Wage Rate Inflation	0	0.00%
Merit/Promotional Increase	33,221	7.35%
Positions Added Since Beginning of Test Year	0	0.00%
Turnover During Test Year	33,240	7.36%
Pro Forma Wages	\$518,225	

7. Provide a complete description of each employee benefit, paid to or on behalf of each employee for the calendar year 2023. 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: Webster District provides the following employee benefits:

- Medical Insurance
- Dental Insurance

- **Life Insurance**
- **Kentucky Public Pension Authority Pension**

a. Provide a copy of one invoice for 2024 for each employee benefit described above.

Response: See files **7a_Medical_Dental_Life_Insurance_2024**
7a_KPPA_2024

b. Provide a copy of one invoice for 2025 for each employee benefit described above.

Response: See files **7b_Medical_Dental_Life_Insurance_2025**
7b_KPPA_2025

c. 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.² 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: See file **7c_Employee_Benefits**

8. Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for calendar years 2023, 2024, and 2025.

Response: See files **8_Insurance_Invoices**
8_Property_and_Liability_Insurance_Certificate
8_Workers_Comp_Insurance_Certificate

9. Provide the minutes from Webster District's Board of Commissioners' (Board) meetings for the calendar years 2023, 2024, and 2025. This is a continuing request for 2025 until the final Order in the case is issued.

Response: See files **9_Minutes_2023**
9_Minutes_2024

- a. Identify the minutes from each meeting, by date, that authorized hiring.

Response: The Board only hires and authorizes compensation for the position of Superintendent.

March 14, 2024 - Trevor Baldwin was named Interim Superintendent.

September 13, 2024 - Trevor Baldwin was named Superintendent and pay was adjusted accordingly.

See file 9a_Pay_Rate_Authorization_Form

The Pay Rate Authorization Form is signed anytime a change is made to a person's pay rate. Usually, they are signed by the Superintendent authorizing it but in the case of the Superintendent's position it is signed by a board member.

- b. Identify the minutes from each meeting, by date, that authorized adjustments to Webster District employee or Commissioner wage rates and any other compensation or fringe benefit actions.

Response: March 14, 2024 – Policy regarding unused paid leave hours.

10. Provide a document listing the name of each of Webster District's Commissioners for each of the calendar years 2023 and 2024 and state, individually, the total amount of each benefit paid to, or on the behalf of, each Commissioner (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.), during each year of their term (beginning and ending), and current authorized annual compensation.

Response: Compensation was set in 2004 by Webster County Fiscal Court at maximum allowed monthly amount that does not require continuing education credits.

See file 10_Commissioner_List_and_Benefit_Paid

- a. Provide documentation from the Fiscal Court that authorizes each Webster District Commissioner's appointment and compensation.

**Response: See files 10a_Compensation_Fiscal_Court_Minutes
10a_Robertson_Appointment
10a_Parker_Appointment
10a_Hammack_and_Villines_Appointment**

10a_Cates_Appointment

- b. Provide training records for each Webster District Commissioner for calendar years 2022, 2023, and 2024 or a statement that the individual has not attended training.

Response: The only commissioners that had training in 2022-2024 were the two new commissioners that had the initial appointment training required by KYPSC.

See file **10b_Training_Records**

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

- a. Number of installations during the test year.

Response: There were 23 new tap installations and \$23,000.00 in tap fees collected in 2023.

- 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 related to new tap installations were not capitalized in the test year.

- 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: Materials costs used for new tap installations were capitalized when purchased in the amount of \$46,099.61 and are shown on row 284 of the fixed assets listing.

See file **11c_Fixed_Assets_Listing**

12. Refer to Webster District's Tariff, PSC Ky. No. 1, Original Sheet No. 14, Billing, Meter Readings and Related Information, Frequency of meter reading.

- a. Provide the date that Webster District's billing cycle begins (meter read date).

Response: Webster District's billing cycle begins with meter reading on or near the 17th 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: Yes.

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

Response: Webster District performed a cost-of-service study to review the appropriateness of its current rates and rate design as part of this rate application. A review of the case filings on the KYPSC website indicated that it has been at least ten years since the previous COSS.

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

Response: Webster District performed a cost-of-service study to review the appropriateness of its current rates and rate design.

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

Response: Material changes to Ohio District's system would cause a new COSS to be prepared.

- c. If there have been no material changes to Webster District's system, explain when Webster 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 Webster District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: See file 3_Rate_Model

Webster District was unable to locate a copy of the prior COSS.

14. Refer to the Application, Current Billing Analysis 2023 Usage and Existing Rates and Proposed Billing Analysis 2023 Usage and Proposed Rates.

- a. Provide the billing analysis in Excel Spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: See file 3_Rate_Model Tabs ExBA and PrBA

- b. Describe adjustments to the billing analysis and the justification for each.

Response: See file 14b_Adjustments

15. Refer to the Application, Schedule of Adjusted Operations, provide an itemization of the Other Water Revenues reported as \$4,988 and state whether any components will not recur.

Response: Other Water Revenues reported as \$4,988 is composed of Account 00472-0000 Rent From Water Property \$4,987.80 and is expected to recur.

16. Refer to the Application, Schedule of Adjusted Operations, provide an itemization of the Miscellaneous Service Revenues reported as \$8,066 and state whether any components will not recur.

Response: Miscellaneous Service Revenues report as \$8,066 is compose of Account 00471-0000 Misc Service Revenue \$8,066.00 and is expected to recur.

17. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2023 and 2024.

Response: See file 17_Penalties

18. 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: See file 18_Nonrecurring_Charges

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

Response: See file 19_Nonrecurring_Charge_Cost_Justifications

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

Response: See file 20_Tap_Fee_Cost_Justification