

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF	)	CASE NO.
WOOD CREEK WATER DISTRICT	)	2024-00242

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RESPONSE OF WOOD CREEK WATER DISTRICT TO THE  
COMMISSION STAFF'S FIRST REQUEST FOR  
INFORMATION DATED OCTOBER 16, 2024

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF ) CASE NO.  
WOOD CREEK WATER DISTRICT ) 2024-00242

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VERIFICATION OF DEWAYNE LEWIS

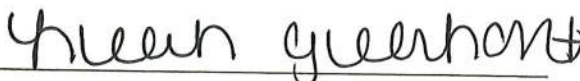
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COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF LAUREL )

Dewayne Lewis, Manager of Wood Creek 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.

  
\_\_\_\_\_ )  
Dewayne Lewis

The foregoing Verification was signed, acknowledged, and sworn to before me this 18<sup>th</sup> day of November 2024, by Dewayne Lewis.

  
\_\_\_\_\_ )  
Commission expiration: 11-9-27

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF ) CASE NO.  
WOOD CREEK WATER DISTRICT ) 2024-00242

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VERIFICATION OF BRENDAN WELCH

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COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF FRANKLIN )

Brendan Welch, Kenvirons, LLC on behalf of Wood Creek 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.



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Brendan Welch

The foregoing Verification was signed acknowledged and sworn to before me this 18<sup>th</sup> day of November 2024, by Brendan Welch.

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Commission expiration: 11-9-27

**Wood Creek Water District**  
**Case No. 2024-00242**  
**Commission Staff's First Request for Information**

Witnesses: Dewayne Lewis (Items 1a-c, 2-6, 8-13, 17 and 19-22)  
Brendan Welch (Items 1d., 7, 14-16, 18)

1. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible:

a. The general ledger in Excel spreadsheet format for year ended December 31, 2023 and current year thru July 31, 2024;

**Response:** See files 1a. – General Ledger 2023  
1a. – General Ledger 2024 YTD

b. The trial balance in Excel spreadsheet format for year ended December 31, 2023 and current year thru July 31, 2024;

**Response:** See files 1b. – Trial Balance 2023  
1b. – Trial Balance 2024 YTD

c. Provide a cross-reference that matches each 2023 general ledger account to each revenue and expense line in the Schedule of Adjusted Operations and reconcile each amount that does not match.

**Response:** See file 1.b – Trial Balance 2023

d. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, Adjustment References. Provide all workpapers used to generate the proposed adjustments in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

**Response:** See files as listed below for supporting information into proposed adjustments.

- Revised Attachment 4 - Schedule of Adjusted Operations – Sewer
- 7a. – Table A – Depreciation Adjustment
- 18. – Revised Billing Analysis
- 19. – Late Fees

2. Provide certificates of insurance and most recent invoice for general liability, workers' compensation, automobile, property, and casualty for 2023 and 2024.

**Response:** See file 2. – Insurance Documents

3. Provide a detailed description of all employee benefits 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.

4. Provide a copy of the most recent invoice for each employee benefit described and provided in the response to Item 3.

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, 2023, and 2024 year to date. Include the date each 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 hours worked, wages paid, and FICA for all employees. Employee names should be redacted from all documents.

6. Using the same table created in response to Item 5, list each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and an adjustment based on the most recent Bureau of Labor Statistics (BLS) contribution rates, if applicable. If medical 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 to Items 3 – 6:** Wood Creek District: Wastewater Division does not have any employees.

7. Refer to Application, Attachment 4, 4a\_Attachment\_4\_Schedule\_of\_Adjusted\_Operations\_-\_Sewer.pdf, References.

a. Adjustment C refers to a Table A; however, Table A is not provided in the application. Provide Table A in Excel Format with all formulas, rows, and columns fully accessible and unprotected;

**Response:** See file 7a. – Table A – Depreciation Adjustment.

b. Adjustment D refers to a Table B; however, Table B is not provided in the application. Provide Table B in Excel Format with all formulas, rows, and columns fully accessible and unprotected.

**Response:** See file 7b. – Table B – Debt Service.

8. Provide the following information related to billing software:

a. Brand of common name of software.

**Response:** Alliance software from United System and Software.

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

**Response:** System is installed on utility owned computers.

c. If locally installed, state the installation date.

**Response:** Installation date was approximately July 2009.

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

**Response:** A service contract is maintained.

9. Provide minutes from Wood Creek District's Board of Commissioners' (Board) meetings that authorize current salaries and wages for all current employees.

**Response:** Wood Creek District: Wastewater Division does not have any employees.

10. Provide the minutes from Wood Creek District's Board meetings for the calendar years 2022, and 2023, and 2024 to date.

**Response:** See files 10a. – Board Minutes 2022

10b. – Board Minutes 2023

10c. – Board Minutes 2024

11. Provide a document listing the name of each Wood Creek District Commissioner for each of the calendar years 2023 and 2024. State, individually, the total amount of each benefit paid to, or on the behalf of, each Commissioner 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:** See file 11. – Commissioners' Information

12. Provide training records for each Commissioner for 2023, and 2024 year to date.

**Response:** Training records for 2023 not available. See file 12. – Commissioners' Training for 2024.

13. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, 4a\_Attachment\_4\_Schedule\_of\_Adjusted\_Operations\_-\_Sewer.pdf. Also refer to 4a\_Attachment\_4\_Sewer\_Operations\_and\_Maintenance.pdf.

a. List any costs that are allocated between Wood Creek's Water and Sewer Divisions;

**Response:** A total of 25% of Wood Creek Water District's wages are allocated to the Sewer division since they provide services to Wood Creek Water District – Water & Sewer Divisions, as well as East Laurel Water District and West Laurel Water Association.

b. For any allocated costs, provide the methodology used to allocated between water and sewer divisions.

**Response:** Services for the Sewer division are provided by Wood Creek Water District employees. Costs provided for services to the Sewer division are reimbursed by the Sewer division to the Water division. When a Water District employee provides services for sewer, his time is documented on a work order. The work orders are reimbursed through a monthly invoice to the Sewer division.

14. Refer to the Application, Attachment 4, Schedule of Adjusted Operations. Also refer to Attachment 7, 7\_Depreciation\_Schedule.pdf. In the Schedule of Adjusted Operations, test year Depreciation Expense is recorded as \$257,855; however, in the Depreciation Schedule, test year Depreciation Expense is recorded as \$1,303,604. Reconcile and explain the difference between the two amounts.

**Response:** See revised file 7\_Revised\_Depreciation\_Schedule.pdf. The original file included was the depreciation schedule that included all of Wood Creek District's depreciable assets rather than only the Wastewater division. The new file highlights the assets associated with the Wastewater division.

15. Refer to Application, Exhibit 4b, 4b\_Revenue\_Requriment\_Calculation.pdf, Revenue Requirement Calculation – Debt Coverage Method table. For each outstanding debt issuance, provide the case number in which Wood Creek District was authorized to issue the debt.

**Response:** Wood Creek District: Wastewater Division has only one debt, which was authorized in Case Number 2018-00066.

16. State the last time Wood Creek District performed a cost of service study (COSS) to review the appropriateness of its current sewer rates and rate design.

**Response:** Per Case and Tariff filings on the Kentucky Public Service Commission website, a COSS has not been completed since the Wood Creek District: Wastewater Division's inception. The original Rates, Rules & Regulations to provide sewer service can be found in tariff filing, TFS2001-00934.

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

**Response:** A new COSS was not considered. Since there have been no material changes to customer usage patterns a COSS was not deemed necessary.

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

**Response:** A new COSS would be considered when material changes in customer usage patterns occur.

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

**Response:** A new COSS would be considered when material changes in customer usage patterns occur.

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

**Response:** Copies of the most recent COSS, if available, may be found under TFS2001-00934. Records for this tariff filing have been requested. The copy is not available in Excel format.

17. Refer to the Application, Attachment 4, 4a\_Attachment\_4\_Schedule\_of\_Adjusted\_Operations\_-\_Sewer.pdf. Provide an itemization of the Miscellaneous Operating Revenues, stated as \$15,953.

**Response:** See file 19. – Late Fees

18. Refer to the Application, 5a\_Current\_Billing\_Analysis\_2023.pdf, 5b\_Current\_Billing\_Analysis\_2024.pdf and 6\_Proposed\_Billing\_Analysis.pdf. The current billing analysis provided by Wood Creek District used two sets of billing rates that were valid during 2023; however, a proper billing analysis is calculated using only the current rates, no matter what billing rates were valid during the test year. Provide a corrected billing analysis with the test-year usage, test-year number of bills, and the current billing rates, in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

**Response:** See file 18. – Revised Billing Analysis



19. Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2022, 2023, and year-to-date 2024.

**Response:** See file 19. – Late Fees

20. 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:**

	<u>Charge</u>	<u>Occurrences</u>	<u>Totals</u>
Tap-On Fee	\$2,500.00	48	\$120,000.00
Connection/Turn-On	\$20.00	-	-
Connection/Turn-On (After Hours)	\$40.00	-	-
Reconnection	\$20.00	-	-
Reconnection (After Hours)	\$40.00	-	-
Returned Check Charge	\$15.00	-	-
Late Payment Penalty	10%	-	-
Relocation Charge	Actual Cost	-	-
Service Call	\$20.00	-	-
Service Call (After Hours)	\$40.00	-	-

A total of 48 tap on fees were completed in 2023. Each tap-on fee is \$2,500. Total tap on fees collected in 2023 equals \$120,000. See account number 00474-0020 under file 1a. – General Ledger 2023 for details.

21. Provide updated cost justification sheets to support each nonrecurring charge listed in Wood Creek District-Wastewater Division’s tariff.

**Response:** See Response to Item No. 20 and file 19. – Late Fees.

22. Provide updated cost justification sheets to support each Meter Connection/Tap-on Charge listed in Wood Creek District-Wastewater Division’s tariff.

**Response:** See file 22. – Tap Fee Justification