

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
CRITTENDEN-LIVINGSTON COUNTY WATER)	2024-00278
DISTRICT)	

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

**Crittenden-Livingston County Water District
Case No. 2024-00278
Commission Staff's First Request for Information**

Witnesses: Abbie Adamson # 1a-b, 2, 4-12, and 17-20
Robert K. Miller # 1c, 3, 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. The general ledger in Excel spreadsheet format with all transactions for each of the years ended December 31, 2023 and December 31, 2024.

Response: See files **1a_General_Ledger_2023**
 1a_General_Ledger_2024

b. The trial balance in Excel spreadsheet format 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

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

Response: See file **1c_Cross_Reference**

2. Provide the following information related to billing software in use during the test period or thereafter:

a. Brand or common name for software.

Response: Alliance.

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

Response: The software is currently locally installed on utility-owned computers. This will change in May 2025 when the software will be cloud-based.

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

Response: The software was installed in 1996.

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

Response: The system is still serviced by the manufacturer and Crittenden-Livingston District does maintain a service contract.

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_Study 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. Employee names should either not be included or be redacted from all documents.

**Response: See file 4_Employee_Summary Tabs 2023 and 2024
4_Employee_Detail_2023
4_Employee_Detail_2024**

- a. Overtime hours worked and paid at rates greater than the straight time pay rate should be separated from on call hours paid.

Response: See file 4_Employee_Summary Tabs 2023 and 2024

- b. 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.

Response: See file 4_Employee_Summary Tabs 2023 and 2024

- c. Include a column for total wages by employee (regular wages and overtime) and a row for total wages for all employees.

Response: See file 4_Employee_Summary Tabs 2023 and 2024

- d. Provide calculations by employee that support pro forma wages of \$622,678. This may be provided as a separate table or combined with the table above. 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.

e.

Response: The correct amount for pro forma wages should have been \$635,740.32.

See file 4_Employee_Summary Tab 2023

- f. Provide a summary of overtime hours worked and cost(s) that were due to employee vacancies and will be eliminated when the vacant positions are filled.

Response: There were no overtime hours worked and costs that were due to employee vacancies and will be eliminated when the vacant positions are filled.

5. 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: Crittenden-Livingston District pays 100% of health, dental, life and vision insurance for employees only. Any employee wishing to enroll a spouse or dependents in these insurances has the additional premium deducted from their paychecks weekly.

Crittenden-Livingston District allows employees to participate in the Kentucky Public Pensions Authority retirement plan. Employees contribute 5% of their pay is contributed as well as 1% for insurance as required by the state. Tier 1 employees do not pay in the 1%. The District contributes 24.06% of the employee's pay as required by the state.

Employees also have the option to enroll in a 401K or 457B retirement plan through Kentucky Deferred comp with no employer match.

Employees also have the option to enroll in supplemental insurances through AFLAC with 100% of those premiums being deducted from their paychecks weekly.

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

Response: See files **5a_Medical_2024**
 5a_Dental_2024
 5a_Life_Insurance_2024
 5a_Aflac_2024

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

Response: See files **5b_Medical_2025**
 5b_Dental_2025
 5b_Life_Insurance_2025
 5b_Aflac_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. 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 **4_Employee_Summary Tab 2023**

- 6. 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 **6_Workers_Comp_Certificates**
 6_Workers_Comp_Invoice
 6_Liability_Certificates
 6_Liability_Invoice

- 7. Provide the water gallons purchased and cost, by month for the entire year, for each supplier for 2023.

Response: Water Purchased from Webster County Water District

	<u>Gallons</u>	<u>Cost</u>
January	960,800	\$ 2,594.16
February	2,938,300	\$ 7,933.41
March	2,694,800	\$ 7,275.96
April	191,800	\$ 517.86
May	520,900	\$ 1,406.43
June	646,500	\$ 1,745.55
July	1,301,600	\$ 3,514.32
August	1,648,000	\$ 4,449.60
September	2,083,000	\$ 5,624.10
October	2,244,000	\$ 6,058.80
November	1,649,500	\$ 4,453.65
December	<u>1,499,800</u>	<u>\$ 4,049.46</u>
Total	18,379,000	\$ 49,623.30

8. Reconcile the reported water gallons purchased in the test year annual report water statistics and the purchased water expense reported in the test year.

Response:

Water Dollars Purchased 2023 Annual Report Page 50	\$ 50,552
Water Dollars Purchased Question 7 Above	<u>\$ 50,552</u>
Difference	\$ 0

Water Gallons Purchased 2023 Annual Report Page 52	18,419,000
Water Gallons Purchased Question 7 Above	<u>18,379,000</u>
Difference	40,000 gallons

9. Provide the minutes from Crittenden-Livingston 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
9_Minutes_2025

- a. Designate each action that authorizes hiring.

Response: See file **9_Minutes_2024**
August 26, 2024 **Terminate Superintendent**
August 28, 2024 **Appoint Acting Superintendent**

- b. Designate each action that authorizes adjustments to wage rates and any other compensation or fringe benefit actions.

**Response: See file 9_Minutes_2023
 April 24, 2023 Superintendent Salary**

- 10. Provide a document listing the name of each Crittenden-Livingston District Commissioner 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: This information will be provided by April 3, 2025.

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

Response: This information will be provided by April 3, 2025.

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

Response: This information will be provided by April 3, 2025.

- c. If the response to the request above does not include the 12-hours of newly appointed commissioner training within 12 months of new appointment required by KRS 74.020(8)(b) for each commissioner, provide verification of satisfying this statutory requirement for each commissioner.

Response: This information will be provided by April 3, 2025.

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

- a. Number of installations during the test year.

Response: There were 43 new taps installed in 2023: (42) 3/4" and (1) 2".

- 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 for new tap installations were not capitalized in 2023.

- 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: Material costs for new tap installations were capitalized in 2023 in the amount of \$24,655.00. These costs were included in the fixed asset listing on Asset Number 478 (spreadsheet row 380) of the attached file.

See file 11c_Fixed_Asset_Register

- 12. Refer to Crittenden-Livingston District's Tariff, PSC Ky. No. 1, Original Sheet No. 11, Billing, Meter Readings and Related Information, Frequency of meter reading.

- a. Provide the date that Crittenden-Livingston District's billing cycle begins, generally the meter read date.

Response: The billing cycle begins on or around the 12th day 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, the date 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.

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

Response: Crittenden-Livingston District was unable to identify the last time a COSS was performed to review the appropriateness of its current rates and rate design. The date of the previous rate study for revenue sufficiency was performed in 2018.

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

Response: Crittenden-Livingston District did not consider filing as COSS with the current rate application because there have been no material changes to the system.

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

Response: There have been no material changes to the District's system that would create the need for a new COSS to be prepared.

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

Response: Crittenden-Livingston District was unable to locate the most recent COSS rate model.

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_Study Tab ExBA

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

Response: There were no adjustments to the billing analysis.

15. Refer to the Application, SAO, provide an itemization of the Other Water Revenues reported as \$36,587 and state whether any components will not recur.

Response: It appears that the revenues reported in Account 4120.00 Insurance Proceeds may not recur.

<u>Account</u>	<u>Description</u>	<u>Amount</u>
481.01	Miscellaneous income	\$ 100
4120.00	Insurance Proceeds	\$35,900
489.01	Scrap Metal Sales	\$ 587
	Total	\$36,587

16. Refer to the Application, SAO, provide an itemization of the Miscellaneous Service Revenues reported as \$12,420 and state whether any components will not recur.

Response: It appears that the revenues reported in Account 421.00 Service Fees will recur.

<u>Account</u>	<u>Description</u>	<u>Amount</u>
421.00	Service Fees	\$12,420

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

Response:

<u>Nonrecurring Charge</u>	<u>Occurrences</u>	<u>Amount</u>
Late Penalty 2023	9,670	\$71,833.75
Late Penalty 2024	10,662	\$72,700.45

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:

<u>Nonrecurring Charge</u>	<u>Occurrences</u>	<u>Amount</u>
Connection / Turn-on Charge	92	\$ 3,220.00
Connection / Turn-on Charge After Hrs.	0	\$ 0.00
Reconnection Fee	179	\$ 8,950.00

Reconnection Fee After Hrs.	0	\$ 0.00
Field Collection Charge	0	\$ 0.00
Late Penalty	9,670	\$ 71,833.75
Meter Relocation Charge	0	\$ 0.00
Meter Reading Re-Check	0	\$ 0.00
Meter Test Request	0	\$ 0.00
Broken Meter Lock Fee	5	\$ 100.00
Meter Valve Replacement Fee	0	\$ 0.00
Meter Box Replacement Fee	0	\$ 0.00
Meter Box Top Replacement Fee	0	\$ 0.00
Service Call / Investigation	153	\$ 5,355.00
Service Call / Investigation After Hrs.	0	\$ 0.00
Returned Check Charge	8	\$ 200.00

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

Response: This information will be provided by April 3, 2025.

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

Response: This information will be provided by April 3, 2025.