

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING OF)	CASE NO.
ALLEN COUNTY WATER DISTRICT)	2025-00014

RESPONSE OF ALLEN COUNTY WATER DISTRICT
TO THE COMMISSION STAFF'S FIRST REQUEST FOR
INFORMATION DATED FEBRUARY 21, 2025

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF ALLEN)	CASE NO.
COUNTY WATER DISTRICT FOR A RATE)	2025-00014
ADJUSTMENT PURSUANT 807 KAR 5:076)	

VERIFICATION OF ROBERT K. MILLER

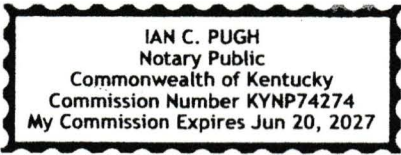
COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF JEFFERSON)

Robert K. Miller, Kentucky Rural Water Association on behalf of Allen County 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.

Robert K. Miller

 Robert K. Miller

The foregoing Verification was signed, acknowledged and sworn to before me this 10th day of March, 2025, by Robert K. Miller.



Ian C. Pugh

 Commission expiration: 06/20/2027

**Allen County Water District
Case No. 2025-00014
Commission Staff's First Request for Information**

Witnesses: Samantha Keri Hill # 1a-b, 3-15, 17-19, and 23-27
Robert K. Miller # 1c-d, 2, 16, and 20-22

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 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 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. Refer to Application, Schedule of Adjusted Operations (SAO). Provide a cross reference that matches each 2023 general ledger account to each revenue and expense line in the SAO and reconcile each amount that does not match.

Response: See file 1c_Cross_Reference

d. Refer to the Application, Attachment 4, SAO, 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 file 1d_Rate_Study

2. Refer to the Application, Attachment 7, Book Asset Detail. Provide a copy of the Fixed Asset Details in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: See file 2_Fixed_Asset_Details

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

Response: See file 3_Insurance_Certificates_and_Invoices

4. Provide a 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.

Response: Allen District pay 100% of the health, dental, life and vision insurance for their employees only.

Allen District has a Defined Benefits Retirement Plan for 2 of its current employees. In 2015, Allen District closed entry into that plan and began offering a 457b Retirement Plan.

Allen District has 10 employees that have chosen to enroll in the 457b Retirement Plan. Allen District matches up to 5% of the employees' contributions for this plan.

Allen District has 3 employees that have dental and vision insurance on their spouses that is taken out of their checks weekly.

Allen District employees may have AFLAC if they chose, but the employees pay 100 percent for that.

5. Provide a copy of the most recent invoice for each employee benefit(s) described in the response to Item 4.

**Response: See files 5_Health_Insurance_Invoice
5_AFLAC_Insurance
5_Defined_Benefit_Retirement_Invoice
5_457b_Retirement_Invoice**

6. 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, 2024, and 2025 year to date. Additionally, provide calculations, by employee, that support pro forma wages

of \$754,830 (prior to tap fee capitalization adjustment). 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.

Response: See files **6_Payroll_2023**
6_Payroll_2024
6_Payroll_2025

7. Using the same table created in response to Item 6, list each employee benefit (medical, dental, life, and others), the employee's contribution, the employer premium contribution, and an adjustment based on 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: See files **7_Benefits_2023**
7_Benefits_2024
7_Benefits_2025

8. Refer to the Application, Attachment 4, References, Adjustment H. Also, refer to Table A, Depreciation Expense Adjustments. Also Refer to the Application, Attachment 7, Book Asset Detail.
 - a. In Table A, all meters are proposed to be depreciated over a 15-year service life. Provide an explanation for the proposed fifteen-year service life for the meters. Include in this explanation any engineering reports, testing reports, or technical specifications that support the proposed fifteen-year service life for each meter, model and brand.

Response: The technical specifications for the meters indicates a battery life of up to 20 years, but does not include warranty information to support this.

See file **8_Diehl_Meter_Information**

- b. Confirm all the meters with the proposed 15-year service life are radio read meters or advanced metering infrastructure (AMI) Meters. If not, provide a list of the meters that are not radio read or AMI from the list provided in the Book Asset

Detail report.

Response: All of the meters with the proposed 15-year service life are radio read meters.

9. Refer to the Application, Attachment 7, Book Asset Detail, pages 3.

- a. Provide a list of the Meters Capitalized Payroll and Capitalized Labor, and list whether the payroll was incurred installing a radio read meters or a mechanical meter.

Response: There was no capitalized labor or materials related to installing radio read meters or direct read meters in 2023 or 2024.

- b. For each radio read meter in the asset detail report, provide a breakdown of the brand and model.

Response: See file 9b_Diehl_and_Altair_Meter_Information

10. Provide the following information related to billing software:

Response: See file 10_Billing_Software

- a. Brand or common name for software.

Response: Alliance from United Systems

- 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 installed locally on a utility-owned computer.

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

Response: Allen District cannot recall the installation date for the We are currently upgrading to the Alliance G5 system which is the latest version available.

- 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 United Systems and Allen District maintains a service contract.

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

Response: See file 11_Meeting_Minutes_Pay_Tiers

12. Provide the minutes from Allen District's Board meetings for the calendar years 2023, and 2024, and 2025 to date. Consider this a continuing request through the date of issuance of Commission Staff's Report.

**Response: See files 12_Meeting_Minutes_2023
12_Meeting_Minutes_2024
12_Meeting_Minutes_2025**

a. Within the minutes provided, designate each action that authorizes hiring.

Response: The Board of Commissioners hires the General Manager. The General Manager hires the remaining staff.

b. Within the minutes provided, designate each action that authorizes adjustments to wage rates and any other compensation or fringe benefit actions.

Response: 12b_Board_Actions_Wages_and_Benefits

13. Provide a document listing the name of each commissioner for each of the calendar years 2023, 2024, and 2025. 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. State whether commissioners are paid as contractors (Form 1099) or employees (Form W-2).

Response: See file 13_Commissioner_Information

14. Provide documentation from the Allen County Fiscal Court that authorizes each commissioner's appointment and compensation. Include the initial date of

appointment for each current commissioner.

Response: See file 14_Fiscal_Court_Appointments

15. Provide all training records for each current commissioner.

Response: See file 15_Commissioner Training

16. Refer to Application, Exhibit 4, Table B, Debt Service Schedule. For the outstanding debt issuance, provide the Commission case number in which Allen District was authorized to issue the debt.

Response:	Debt Issue	Commission Case Number
	KIA Loan F19-025	2019-00398
	Revenue Bonds Series 2006	2006-00115
	Revenue Bonds Series 2012	2012-00144
	KRWFC Loan	2021-00444
	KIA Loan	2024-00118

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

a. Number of installations during the test year.

Response:	5/8" x 3/4" Meters	171
	1" Meters	5
	Total	176

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 were not capitalized.

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 other than meters were not capitalized.

Meter costs were capitalized on Row 143 of the Fixed Asset Details.

See file 2_Fixed_Asset_Details

18. Provide a monthly breakdown in both gallons and dollar amount, of water purchased during the test year, by vendor, identifying all vendors from whom Allen District purchased water.

**Response: See files 18_Glasgow_Purchases
18_Scottsville_Water_Purchases**

19. Provide the current rate charged by each vendor from whom Allen District purchases water.

Response:	Glasgow Water Company	\$2.01 per thousand gallons
	City of Scottsville	\$3.76 per thousand gallons

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

Response: Allen 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 twenty years since the previous COSS.

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

Response: Allen 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 Allen 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 Allen District's system, explain when Allen 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 Allen District's system in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

Response: See file 1d_Rate_Study

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

21. Refer to the Application, Attachment 4, SAO. Provide a breakdown of the Other Water Revenues, stated as \$34,441, include a list of the account numbers, account names, and ending balances.

Response: Other Water Revenues is stated in the SAO as \$58,483. See file 1c_Cross_Reference rows 22-27 for account numbers, account names, and ending balances.

Miscellaneous Service Revenues is stated in the SAO as \$34,441. See file 1c_Cross_Reference row 20 for account number, account name, and ending balance.

22. Refer to the Application, Current Billing Analysis – 2023 Usage and Existing Rates and Proposed Billing Analysis 2023 Usage and Proposed Rates. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

Response: See file 1d_Rate_Study Tab ExBA

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

Response: See file 23_Penalties_Collected

24. Provide a schedule listing the number of occurrences for each nonrecurring charge that were 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>Revenue</u>	<u>GL Account</u>
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Meter Reread Charge	2	\$ 100.00	636
Meter Test Charge	4	\$ 157.00	334
Connection Charge	712	\$ 34,467.25	471
Connection After Hours	0	\$ 0.00	471
Service Investigation Charge	32	\$ 816.00	421
Service Investigation After Hours	2	\$ 143.00	636
Returned Payment Charge	60	\$ 615.00	421
Security Deposit	422	\$ 32,388.50	235
Equipment Damage	4	\$ 194.00	636
Water Loss Surcharge	6,831	\$130,556.97	461.6
Late Payment Penalties	12,167	\$ 51,617.11	470

25. Provide updated cost justification sheets to support each nonrecurring charge listed in Allen District's tariff, even if there were no occurrences during the test year.

Response: See file 25_Nonrecurring_Charges_Cost_Justifications

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

Response: See file 26_Tap_Fee_Cost_Justification

27. Refer to Allen District's Tariff, PSC Ky. No. 1, Original Sheet No. 11, Billing, Meter Readings, and Related Information.

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

Response: Allen District's billing cycle begins with meter reading on or around 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, 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.