

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

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**Witness: Kendra Hocker and Jack Scott Lawless**

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 the year ended December 31, 2024, and year to date May 30, 2025.

b. The trial balance in Excel spreadsheet format for the year ended December 31, 2024, and year to date May 30, 2025.

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

**Response:**

a. See attachments "1a McKinney Response to KPSC DR1, Item 1a, General Ledger A" for the December 31, 2024 general ledger and "1a McKinney Response to KPSC DR1, Item 1a, General Ledger B" for the May 30, 2025 general ledger.

b. See attachments "1b McKinney Response to KPSC DR1, Item 1b, Trial Balance A" for the December 31, 2024 trial balance and "1b McKinney Response to KPSC DR1, Item 1b, Trial Balance B" for the May 30, 2025 trial balance.

c. Refer to the worksheet named "Reconcile GL to AR" that is part of the workbook named "3 McKinney Response to KPSC DR 1, Item 3, ARF Workpapers" that is provided in response to Item 3 of the Commission's first data request.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

2. Refer to the Application, SAO, Adjustment J, which states McKinney District has changed billing software. State whether McKinney District currently uses an integrated software program for billing and its general ledger. If not, provide the following information related to each of the billing software and the general ledger software McKinney District is currently using:

- a. Brand or common name for each software.
- b. State whether each software is locally installed on a utility-owned computer or is a subscription service that is internet based.
- c. If locally installed, state the installation date for each software.
- d. State whether each system is still serviced by the manufacturer and whether the utility maintains a service contract.

**Response:**

- a. Software Solutions until June 2025. Ampstun starting June 2025
- b. Utility owned computers. Service subscription was with Software Solution
- c. N/A
- d. McKinney Water District maintains a service contract.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

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3. Refer to the Application, SAO, Revenue Requirements Calculations, SAO Adjustments References. Provide all schedules used to support each proposed adjustment in Excel format. Component details of schedules should tie to the general ledger accounts that comprise the SAO line items, including any adjustments for unreconciled amounts.

**Response:** See attachment "3 McKinney Response to KPSC DR1, Item 3, ARF Workpapers.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker and Jack Scott Lawless**

4. Refer to the Application, SAO, Adjustment K. Provide the following information regarding the proposed rate case amortization expense.

a. State whether the estimated cost for this case is a fixed amount or indicate whether the quoted amount may increase or decrease.

b. Provide a copy of the quote for the preparation of the rate case.

c. Confirm that the anticipated rate case expense will be paid by McKinney District and not paid by a third party, i.e. grant funding. If not confirmed, provide the source of funding, describe the agreement or arraignment facilitating the third-party funding, and provide any preliminary and final written agreements reflecting the third-party funding.

**Response:**

a. Kentucky Rural Water Association ("KRWA") agreed to prepare the rate application for an amount not to exceed \$9,335. The amount to be paid to KRWA is expected to be \$9,335. In addition to the KRWA contract fee, McKinney District incurred publication costs in the amount of \$615.00

b. A copy of the Kentucky Rural Water Association contract is filed electronically as filed name "4b McKinney Response to KPSC DR1, Item 4b, KRWA Contract."

c. McKinney District will pay the entire amount of rate case expense. There is no third party available to pay a portion of the rate case expense.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

5. Provide certificates of insurance and most recent invoices for general liability, automobile, property, and casualty for 2024 and 2025.

**Response:** The requested documents are shown in the attached document named "5 McKinney Response to KPSC DR1, Item 5, Insurance."

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

6. Refer to Application, Exhibit 3, Wage Table on page 6.
  - a. Confirm the wages provided in the table are the amounts currently paid and approved by the Board of Commissioner's in its most recent meeting. If not confirmed, explain the response.
  - b. State whether overtime hours worked during the test year, and shown in the wage table, are representative of expected overtime hours going forward, or if there is any expected change due to less employee turnover.

**Response:**

- a. The wages provided in the table are the amounts currently paid and approved by the Board of Commissioners.
- b. The overtime hours worked during the test year are representative of expected overtime hours going forward.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

7. Refer to Application, Exhibit 3, Adjustment E. McKinney District did not report a test year amount for employee benefits. Confirm whether McKinney District provides benefits to its employees. If yes, provide a complete description of each employee benefit paid to or on behalf of each employee for the calendar year 2024 and a copy of an invoice for 2024 and 2025 for each employee benefit. 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:** McKinney District does not provide employee benefits.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

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

a. Designate each action that authorizes hiring.

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

**Response:** The requested information is provided in the attached document named "8 McKinney Response to KPSC DR1 Board Minutes."

a. Actions for employee hirings can be found at ...in the attached document.

b. Each action affecting employee wages can be found at...in the attached document.



MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

9. For each commissioner during the calendar years 2023, 2024, and 2025:
- a. Provide a list of the name of each commissioner, their term (beginning and ending) as a commissioner, and current annual compensation.
  - b. Provide, 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.)
  - c. Provide the Fiscal Court minutes that authorize each commissioner's appointment and compensation.
  - d. Provide training records for each commissioner for 2023, 2024, and 2025 or a statement that the individual has not attended training.

**Response:**

- a. Refer to file titled list of McKinney Water District Board Members Terms and Compensation
- b. McKinney Water District Does not provide benefits for their Board Members.
- c. Refer to file titled Fiscal Court minutes.
- d. Refer to file titled Board Members training 2023-2024.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

10. Refer to McKinney District's Tariff, PSC Ky. No. 1, Sheet No. 5, Rules and Regulations, Billings.

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

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:**

a. McKinney Water District's billing cycle begins on the 15<sup>th</sup> of each month.

b. The billing cycle date is the best date for issues concerning rates in this case.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker and Jack Scott Lawless**

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

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

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

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

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

**Response:** Based upon a review of the cases on the Public Service website, it appears that the District has not performed a COSS in the last 20 or more years.

a. McKinney District did not consider filing a COSS with the current rate application because there have been no material changes to its customer base or customer usage patterns that would warrant a change to its current rate structure.

b. A material change in McKinney District's customer usage patterns or customer base would warrant the preparation of a COSS.

c. McKinney District does not anticipate preparing a COSS absent a material change to its customer base or customer usage patterns.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

- d. McKinney District was unable to locate a copy of the most recent COSS that has been performed.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

12. Provide the number of occurrences and dollar amounts for late fees recorded during the calendar year of 2024.

**Response:** Refer to file titled LATE FEES.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

13. Provide a schedule listing the number of occurrences for each nonrecurring charge 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:** Refer to file titled NONRECURRING CHARGES and RECONNECT FEES

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

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

**Response:** The cost justification sheets provided in Case No. 2022-00400 and updated cost justification sheets for each nonrecurring charge and meter connection/tap-on charge is provided in the attached document named "14 15 McKinney Response to KPSC DR1 Updated Non-Recurring Charge Cost Justification Sheets."

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

15. Provide updated cost justification sheets to support each Meter Connections/Tap-on charge listed in McKinney District's tariff.

**Response:** The cost justification sheets provided in Case No. 2022-00400 and updated cost justification sheets for each nonrecurring charge and meter connection/tap-on charge is provided in the attached document named "14 15 McKinney Response to KPSC DR1 Updated Non-Recurring Charge Cost Justification Sheets."



MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

16. Provide the following regarding Purchased Water expenses.

a. Provide the gallons purchased and cost, by month for the entire year, for each supplier for calendar year 2024.

b. Reconcile reported gallons purchased in the test year annual report water statistics and the purchased gallons reported in 2024 from Item 16a above.

**Response:**

a. 3 McKinney Response to KPSC DR 1, Item 3, ARF Workpapers" filed in response to KPSC DR 1, Question 3. In the workbook, go to the worksheet named "Purchased Water and Power" and see cells F27 through R103.

b. 3 McKinney Response to KPSC DR 1, Item 3, ARF Workpapers" filed in response to KPSC DR 1, Question 3. In the workbook, go to the worksheet named "Purchased Water and Power" and see cells F27 through R103.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker and Jack Scott Lawless**

17. Refer to Application, Exhibit 3, Reference H and I at page 8 and 9.

a. State the brand and model of the 100 new meters installed in 2024.

b. Provide an explanation for the proposed fifteen-year service life for the water meters. Include in this explanation, any engineering reports, testing reports, or technical specifications that support the proposed fifteen-year service life for each year water meter model and brand.

**Response:**

a. Mueller 5/8x3/4

b. The term of the meter warranty is 10 years. The requested depreciable life is longer than the warranty period. Other than the warranty, McKinney has no other support for the 15 year life.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

18. Refer to the disclosure statements filed June 10, 2025. Confirm that Lonnie Brown is the only employee that is a family member of the utility's chief executive officer, a utility commissioner, or any person with a 10 percent or greater ownership interest in the utility. If not confirmed, provide the name of the employee and the relative's name.

**Response:** Yes Lonnie Brown is the only employee with relative.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

19. Refer to the Application, Exhibit 4, Billing Analysis. Provide a detailed breakdown of the Leak Adjustments totaling \$3,091, by customer, date and amount for each one.

**Response:** Refer to the attached document named "19 McKinney Response to KPSC DR1, Item 19, Leak Adjustments."

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

- 20. Refer to the Application, Exhibit 1.
  - a. Provide a copy of the publication issued in The Interior Journal.
  - b. Provide McKinney District's website URL.

**Response:**

- a. Refer to file Publication Notice.
- b . McKinney Water District does not have a website URL.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---

**Witness: Kendra Hocker**

21. Refer to the Application, Exhibit 3, SAO, Adjustment M, and Case 2025-00022,<sup>2</sup> McKinney District's Response to Commission Staff's First Request Information, Exhibit D, pages 96–97.

- a. State when each of the assets listed will be placed into service.
- b. Reconcile the depreciation adjustment totaling \$130,554 proposed in this case and the \$186,090 amount indicated in McKinney District's First Response.

**Response:**

a. Refer to the email from Marty Spears, Project Engineer, attached hereto as "21 McKinney Response to KPSC DR1, Item 21, Spears email" and "21 McKinney Response to KPSC DR1, Item 21, Spears email attachment" where Mr. Spears states that the project will be complete by July 15, 2026.

b. Refer to the email from Marty Spears, Project Engineer, attached hereto as "21 McKinney Response to KPSC DR1, Item 21, Spears email" and "21 McKinney Response to KPSC DR1, Item 21, Spears email attachment" where Mr. Spears reconciles the depreciation expense amounts.

MCKINNEY WATER DISTRICT  
CASE NO. 2025-00145  
KENTUCKY PUBLIC SERVICE COMMISSION'S FIRST REQUEST FOR INFORMATION

---