

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE ADJUSTMENT FILING ) CASE NO.  
OF LAKE VILLAGE WATER ASSOCIATION, INC. ) 2026-00057

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VERIFICATION OF MIKE D. SANFORD, MPA

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COMMONWEALTH OF KENTUCKY )  
 )  
COUNTY OF   Mercer   )

Mike D. Sanford, MPA, Executive Director of Lake Village Water Association, Inc., 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 are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Mike D. Sanford  
Mike D. Sanford, MPA

The foregoing Verification was signed, acknowledged and sworn to before this 25 day of June, 2026. By Mike D Sanford, MPA.

Rita Monson  
RITA MONSON  
NOTARY PUBLIC  
MY COMM. 03-03-2030  
STATE AT LARGE, KY  
Commission expiration: 3/3/2030

LAKE VILLAGE WATER ASSOCIATION, INC.

CASE NO. 2026-00057 RESPONSE TO COMMISSION

STAFF'S SECOND REQUEST FOR INFORMATION

1. Refer to Lake Village Water's response to Commission Staff's First Request for Information (Staff's First Request), Item 8.
  - a. Explain how the Board of Directors determines the type and amount of bonus to award staff each year.

**Response:**

**The Board of Directors provide a Christmas Bonus to all staff members. The bonus amount for all staff members is the same. Historically the bonus has been based on the previous year amount and overall performance of the utility throughout the year. The Board of Directors perform an annual evaluation of the Executive Director and have in recent years provided a one time bonus in lieu of a permanent salary adjustment. The evaluation and one time bonus are based on the financial performance of the previous year, overall budget performance for the previous year and the water loss percentage for the previous year.**

**Witness: Mike D. Sanford, MPA**

- b. Provide the total amount of the bonuses awarded during the last three calendar years, by year. If varying amounts were awarded, identify a corresponding position to the amount.

**Response:**

**2023**

**Staff Christmas Bonus- 7 staff members@\$750 each-\$5,250  
Executive Director Performance Evaluation- \$5,000**

**2024**

**Staff Christmas Bonus- 7 staff members@\$750 each-\$5,250  
Executive Director Performance Evaluation- \$12,000**

**2025**

**Staff Christmas Bonus- 7 staff members@\$750 each-\$5,250  
Executive Director Performance Evaluation- \$12,000**

**Witness: Mike D. Sanford, MPA**

2. Refer to Lake Village Water's response to Staff's First Request, Item 16.

Provide a sample bill for Lake Village Water.

**Response:**

**Please refer to the attached sample water bill.**

**Witness: Mike D. Sanford, MPA**

3. Refer to Lake Village Water's response to Staff's First Request, Item 23.

Provide Lake Village Water's water loss percentage for 2025.

**Response:**

**Please refer to the 2025 Annual Water Loss Report.**

**Witness: Mike D. Sanford, MPA**

4. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2026 Meeting Minutes, page 2. Explain whether the Assistant Director Expense was included in the proposed revenue requirement.

**Response:**

**The Lake Village Water Association did not include the proposed Assistant Director expense in the proposed revenue requirement even though it as discussed in the**

meeting as found in the minutes from the February 10, 2026 board meeting. A discussion was had with Mr. Sam Reid after the meeting, at which time clarification was given to the Executive Director that the Public Service Commission does not allow proposed positions for rate making purposes. The position is planned, but has not been not filled as of the date of this response.

**Witness: Mike D. Sanford, MPA**

5. Refer to Lake Village Water's response to Staff's First Request, Item 17d and Item 13, 2026 Meeting Minutes, page 5. Lake Village Water stated in Item 17d that there is no documentation or evidence that a Cost of Service Study (COSS) has ever been performed. On the other hand, the Meeting Minutes on Item 13, page 5, clearly state that a COSS is complete. Provide a copy of the COSS.

**Response:**

**The Lake Village Water Association has not completed a Cost of Service Study. The reference to the Cost of Service Study in the minutes was referring to the rate study being completed by Kentucky Rural Water Association staff.**

**Witness: Mike D. Sanford, MPA**

6. Refer to Lake Village Water's response to Staff's First Request, Item 17. Refer also to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 24.

a. Explain why Lake Village Water did not pursue a COSS, given the concerns stated involving the rate for Northpoint Training Center.

**Response:**

**The concern is still present. Once the current rate case is complete, a COSS will be discussed. The Association does not have the ability to undergo the rate case and a COSS at the same time. The Board of Directors and the Executive Director thus far have relied on the PSC approved rate to charge Northpoint Training Center as recent as a 2022 rate case.**

**Witness: Mike D. Sanford, MPA**

b. Provide any analysis performed related to the rate.

**Response:**

**No formal analysis has been performed as of the date of this response.**

**Witness: Mike D. Sanford, MPA**

c. Explain whether Lake Village Water has a contract with Kentucky Utilities Company. If so, provide the contract.

**Response:**

**The Lake Village Water Association does not have a contract with Kentucky Utilities Company. Kentucky Utilities Company is charged the rate found in the PSC approved Monthly Water Rates found on Tariff Sheet 4.**

**Witness: Mike D. Sanford, MPA**

7. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 5. Provide a copy of the contract with Waterworth Continuous Utility Rate Management Software.

**Response:**

**Please refer to the contract with Waterworth Continuous Utility Rate Management Software.**

**Witness: Mike D. Sanford, MPA**

8. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 7-8 regarding the Management Agreement.

a. Provide a copy of the Management Agreement.

**Response:**

**Please refer to the Management Agreement with the Mercer County Sanitation District.**

**Witness: Mike D. Sanford, MPA**

b. Explain how Lake Village Water codes its employee time spent

working for Mercer County Sanitation District.

**Response:**

**The Lake Village Water Association tracks the time spent conducting Mercer County Sanitation District work through work orders. In addition to work orders, it is understood that daily pump station readings occur within the first hour of each day. For the Executive Director and Office and Administrative staff, tracking time is difficult. Effort is made to balance the work load on the Executive Director and Office and Administrative staff by having the District contract for needs such as grant administration, engineering, and wastewater treatment plant operations through a third party. Since the Management Agreement was executed it has been difficult to separate the two utility operations from a time management perspective due to switching from one utility need to the other within minutes of each other on occasions. For instance, receiving a phone call that is water association related, followed by a phone call that is sanitation district related.**

**Witness: Mike D. Sanford, MPA**

c. Discuss how many of Lake Village Water's employees provide

services to Mercer County Sanitation District. For each employee included in this response, provide a brief description of the services.

**Response:**

**All Lake Village Water Association staff provide services to the Mercer County Sanitation District. The duties assigned to each staff member by the Lake Village Water Association are the same duties assigned to manage the operations of the Mercer County Sanitation District.**

**Executive Director- oversee and coordinate all operations of the Mercer County Sanitation District.**

**Office Manager/Accounts Payable-** maintains financial records and pays all bills for the Mercer County Sanitation District. The Office Manager/Accounts Payable position generates work orders to services needed.

**Billing Clerk-** processes sewer payments for properties served by the Mercer County Sanitation District that are located within the Lake Village Water Association service area. The Billing Clerk also generates work orders.

**Maintenance Supervisor-** oversees and coordinates all maintenance within the Mercer County Sanitation District service area.

**Distribution Operators-** serve as Collection System operators for the Mercer County Sanitation District.

**Witness: Mike D. Sanford, MPA**

d. Explain how Lake Village Water calculated the fee to provide management for Mercer County Sanitation District. Provide a breakdown of the calculation and any supporting calculations or documents in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

**Response:**

When the Lake Village Water Association entered into the management agreement with the Mercer County Sanitation District, leadership from both utilities had no idea what to expect as far as the level services that would be required. The Sanitation District was newly formed and the customer base was very small. Leadership from both utilities selected board members to participate in a work group that included the Executive Director to determine the services that were anticipated and how to charge for the services. Once the scope of services was defined, the next task was to determine the charge for services. The need to have a Management Agreement in place ahead of the Sanitation District system going on line, facilitated a discussion to assume that expenses incurred by the water association would be incurred by the sanitation district on a day to day basis. The committee examined the expenses incurred by the water association, eliminated any expenses that would not be incurred by the sanitation district and set a per connection cost, then proportioned the sanitation district connections to the cost incurred by the water association per connection to arrive at an initial annual management fee. The initial fee established was \$25,000 annually. As the Mercer County Sanitation District customer base grew the fee was increased. In 2021, the fee was increased to \$40,000, mainly due to the increased work load associated with project development and funding agencies. In 2025, the continued growth of the Mercer County Sanitation District led to an increase in the fee to \$65,000

annually to continue managing the growth and increased work load, mainly impacting the Executive Director position. The Management Agreement between the two utilities works very well to address the needs of Mercer County residents. The Mercer County Sanitation District has been able to expand sanitary sewer service to approximately 1,000 properties, most of which are located within the Herrington Lake watershed, which serves as the drinking water source for our region. The Mercer County Sanitation District has secured funding to continue expanding sanitary sewer service within the Herrington Lake watershed, which will increase the work load for all staff members of the Lake Village Water Association. The Management Agreement fee is being looked at each year to determine whether an adjustment to the fee needs to be considered.

**Witness: Mike D. Sanford, MPA**

9. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 10. Provide a copy of the 2023 Toyota Tacoma loan agreement.

**Response:**

**Please refer to the 2023 Toyota Tacoma loan agreement.**

**Witness: Mike D. Sanford, MPA**

10. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 21. Refer also to Lake Village Water's tariff P.S.C. Ky. No. 1 Original Sheet 37.

a. Explain whether the leak adjustment of \$2,220 is consistent with Lake Village Water's tariff for calculating leak adjustments. If not, explain why not.

**Response:**

**The leak adjustment was consistent with the tariff prior to the customer requesting further assistance from the Board of Directors. In this particular case, the bill was so high that the Board of Directors moved to make a further adjustment and charge a bill that covered any costs incurred by the leak.**

**Witness: Mike D. Sanford, MPA**

b. Explain whether Lake Village Water has considered updating its tariff

to reflect that leak adjustments be determined on a case-by-case basis.

**Response:**

**The Lake Village Water Association has not considered leak adjustments on a case by case basis and relies on the tariff to apply leak adjustments.**

**Witness: Mike D. Sanford, MPA**

11. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 26.

a. Explain what compensation Lake Village Water receives related to the 911 fee collection.

**Response:**

**The Lake Village Water Association collects the Mercer County Fiscal Court 911 Fee monthly. The monthly close out of the billing software provides the amount of the fee that was collected during the billing cycle and the Lake Village Water Association is paid 3% of the total amount collected. The Association reduces the amount collected by 3% of the total and sends a check to Bluegrass 911 for the balance.**

**Witness: Mike D. Sanford, MPA**

b. Provide a copy of the invoices for service related to the 911 collection fee from January 2025 to present.

**Response:**

**The Lake Village Water Association does not generate invoices related to the 911 Collection Fee.**

**Witness: Mike D. Sanford, MPA**

12. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2024 Meeting Minutes, page 11. Provide a copy of the agreement with Assured Partners for a Cybersecurity Insurance Policy.

**Response:**

**Please see the Assured Partners Cybersecurity Insurance Policy.**

**Witness: Mike D. Sanford, MPA**

13. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2024 Meeting Minutes, page 18.

a. Provide Lake Village Water's current policy regarding use of company vehicles.

**Response:**

**The Lake Village Water Association does not have a written policy regarding company vehicle use. The Lake Village Water Association will be drafting a written policy.**

**Witness: Mike D. Sanford, MPA**

b. Explain whether employees are permitted to take vehicles home.

**Response:**

**Currently, the Operator that is in on call has the option to drive a company vehicle home if they choose to. The Maintenance Supervisor and Assistant Supervisor drive company vehicles home because they are on call all the time. The Lake Village Water Association discourages personal use of a company vehicle and also discourages passengers that are not employed by the Lake Village Water Association.**

**Witness: Mike D. Sanford, MPA**

14. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2023 Meeting Minutes, page 35. Provide a copy of the contract with Bluegrass Area Development District.

**Response:**

**The contract with the Bluegrass Area Development District was not executed.**

**Witness: Mike D. Sanford, MPA**

15. Provide a copy of the most recent Water Purchase Agreements for the following:

- a. Northpoint Training Center;

**Response:**

**Please refer to the Water Purchase Agreement with the Northpoint Training Center.**

**Witness: Mike D. Sanford, MPA**

- b. Harrodsburg;

**Response:**

**Please refer to the Water Purchase Agreement with the City of Harrodsburg.**

**Witness: Mike D. Sanford, MPA**

- c. Danville;

**Response:**

**Please refer to the Water Purchase Agreement with the City of Danville.**

**Witness: Mike D. Sanford, MPA**

- d. Burgin;

**Response:**

**Please refer to the Water Purchase Agreement with the City of Burgin.**

**Witness: Mike D. Sanford, MPA**

- e. Any other Water Purchase Agreements entered into by Lake Village

Water.

**Response:**

**The Lake Village Water Association has not entered into any other Water Purchase Agreements that are not referenced in the response to 15 a ,b, c, and d.**

**Witness: Mike D. Sanford, MPA**

16. Refer to Application, Attachment\_12\_LVWA\_2024\_Rate\_Study, Wages Tab and Lake Village Water's response to Staff's First Request, Item 7(b), regarding annual hours worked by full time employees.

a. Explain the methodology used to determine the regular hours, overtime hours and paid time off (PTO) hours reflected for each employee position, the pro forma wage schedule, and reconcile these hours with the stated annual full time work schedules.

**Response:**

**Office Manager/Accounts Payable and Billing Clerk- office hours are 8-3 M-F, 7 work hours daily, 35 hours per week. Overtime wage is paid for time worked over 40 hours.**

**Distribution Staff and Executive Director- 8-4:30 M-F, 40 hours per week. Overtime wage is paid to Distribution staff for time worked over 40 hours. The Executive Director does not get paid overtime wages for hours worked over 40 hours.**

**Witness: Mike D. Sanford, MPA**

b. Explain which employee positions are considered Distribution Staff and which employee positions are considered Office and Administrative Staff.

**Response:**

**Lake Village Water Association staff positions are considered the following:**

**Executive Director- Distribution and Office and Administrative Staff  
Office Manager/Accounts Payable- Office and Administrative Staff  
Billing Clerk- Office and Administrative Staff  
Maintenance Supervisor- Distribution Staff  
Distribution Operators- Distribution Staff**

**Witness: Mike D. Sanford, MPA**

17. Refer to Application, Attachment\_12\_LVWA\_2024\_Rate\_Study, Medical Tab and Attachment #4, Statement of Adjusted Operations (SAO) which reflects a positive adjustment of \$6,959 to Employee Pension and Benefits. However, Reference, Item E stated that the adjustment reflects a decrease in Pension Benefits. In addition, the supporting schedule indicates that certain supplemental Insurance premiums are 100 percent employee contributed. Reconcile the net positive pro forma adjustment and explain how employee contributed insurance premiums were treated in the calculation of the adjustment.

**Response: The Reference statement is incorrect, the adjustment is an increase.**

**Witness: Mike D. Sanford, MPA**

18. Refer to Lake Village Water's response to Staff's First Request, Item 3, General Ledger 2024, for the accounts listed below. Refer also to the chart below.

**54050 · Miscellaneous General Expense**

<b>Date</b>	<b>Name</b>	<b>Amount</b>
03/29/2024	32824 #10292 - Water bottles for Healthy Kids\$	662.45
03/31/2024	misc expenses, John and Evan school	536.19
04/30/2024	misc purchases, John and Evan test fees	843.39
09/24/2024	C0001246 Service Contract	4,200.00
09/30/2024	misc purchases, board and staff meal, etc	1,314.66
10/01/2024	Crozier Lane	5,950.00
11/20/2024	Matthew Todd Graphic Design	1,760.00

**54065 · Office Supplies**

01/24/2024	HARRIS	3,178.66
05/16/2024	HARRIS	5,321.27

a. For each item listed in the chart above, provide a copy of each

invoice relevant to the item.

**Response:**

**Please refer to the invoices for each charge.**

**Witness: Mike D. Sanford, MPA**

b. For each item listed in the chart above, describe the purchase and state whether each item should have been capitalized.

**Response:**

**-32824 #10292 Water bottles for Healthy Kids \$662.45**

**The Lake Village Water Association is a partner with the local school districts to host an Annual Healthy Kids Day for all 4<sup>th</sup> Grade students in Mercer County. The Lake Village Water Association provides a plastic water bottle for each student. The bottles were purchased from Custom Promotional Products.**

**The expense should not be capitalized.**

**-Misc. Expenses, John and Evan school \$536.19**

**The expense is for two Distribution staff members to register for the Distribution Operator II Exam and to reimburse a staff member for a cabin filter for the 2015 Chevrolet Silverado 1500 LS.**

**The expense should not be capitalized.**

**-Misc. purchases, John and Evan test fees \$843.39**

**The expense memo incorrectly states that the expense is for test fees. The expense is for two Distribution Operators to renew their DW Distribution Operator Class II licenses, office supplies and maintenance supplies. The expense includes a \$21.19 monthly recurring charge for Adobe Acrobat software as well.**

**The expense should not be capitalized.**

**-C0001246 Service Contract \$4,200**

**The expense is the Micro Comm telemetry system annual service plan.**

**The expense should not be capitalized.**

**-Misc. purchases, board and staff meal, etc.                    \$1,314.66**

**The expense includes charges for vehicle maintenance, a \$21.19 monthly recurring charge for Adobe Acrobat software, an oil change in one of the company vehicles, office supplies, shipping for the return of a Micro Comm telemetry component, a charge for a Staff and Board Member Appreciation Meal, and a charge for annual subscription for an anti-virus software.**

**The expense should not be capitalized.**

**-Crozier Lane                    \$5,950**

**The expense is for the replacement of a fence at the Crozier Elevated Water Storage Tank. The fence was installed by Bluegrass Fencing**

**The expense should not be capitalized.**

**-Matthew Todd Graphic Design                    \$1,760**

**The expense was for a redesign of the Lake Village Water Association webpage that included enhanced security features and edits to the previous web page that required the payment portal to be removed and reinstalled.**

**The expense should not be capitalized.**

**-HARRIS                    \$3,178.66**

**The expense is for 31,200 blank water bill postcards used to generate monthly water bills.**

**The expense should not be capitalized.**

**-HARRIS                    \$5,321.27**

**The expense is for billing software annual support.**

**The expense should not be capitalized.**

**Witness: Mike D. Sanford, MPA**

c.        For each item listed in the chart, if a purchase should have been capitalized, provide the appropriate NARUC useful life for depreciation purposes.

**Response:**

The expenses should not be capitalized.

**Witness: Mike D. Sanford, MPA**

d. For each item in the chart above, if Lake Village Water believes its classification as an expense is proper, explain the reasoning.

**Response:**

**-32824 #10292**

**The Lake Village Water Association believes the referenced expense is proper. The Lake Village Water Association partners with the school districts to promote the availability of tap water for drinking at each student's home and to educate the students on the positive effects that water consumption provides to the overall health of the student.**

**-Misc. expenses, John and Evan school**

**The Lake Village Water Association believes the referenced expense is proper. The Distribution Operators strive to gain the knowledge and experience to become licensed Operators and the exam fee is necessary. The Lake Village Water Association needs licensed Distribution Operators to operate and maintain the distribution system. The vehicles require maintenance and the filter needed to be replaced.**

**-Misc. Purchases, John and Evan test fees**

**The Lake Village Water Association believes the referenced expense is proper. The Lake Village Water Association needs the licensed Distribution Operators and the renewal fee is necessary. The Lake Village Water Association purchases office supplies provided and used by all staff members and building and vehicle maintenance is necessary.**

**-C0001246 Service Contract**

**The Lake Village Water Association believes the referenced expense is proper. The Micro Comm Service Contract is necessary due to the high cost of replacement of any telemetry component in the distribution. The annual Service Contract is less than replacing the components at one site due to failure.**

**-Misc. purchases, board and staff meal, etc.**

The Lake Village Water Association believes the referenced expense is proper. The maintenance is necessary to maintain the vehicles, the office supplies are provided and used by all staff members, the Anti-virus software is necessary and the shipping charge was required to return the damaged telemetry component. The Lake Village Water Association leadership believes that investing in and maintaining skilled, trained staff is necessary to operate and maintain the water system and showing appreciation and thanking staff for their contributions throughout the year is important. The Board Member and Staff Meal is a way to show appreciation for the staff's hard work and dedication to the Association.

**-Crozier Lane**

The Lake Village Water Association believes the referenced expense is proper. The fence located at the Crozier Elevated Water Storage Tank was decades old and in disrepair. The fence replacement was necessary to ensure that livestock did not enter the tank property.

**-HARRIS**

The Lake Village Water Association believes the referenced expense is proper. The postcards are necessary to mail monthly water bills.

**-HARRIS**

The Lake Village Water Association believes the referenced expense is proper. While the Lake Village Water Association Office and Administrative staff believe the Annual Support cost could be lower but it is not and it is necessary in the event that the system needs support or troubleshooting in order to maintain day to day billing processes.

**Witness: Mike D. Sanford, MPA**

19. Refer to Lake Village Water's response to Staff's First Request, Item 12. Lake Village Water did not provide all the requested Information. Provide most recent invoices for Automobile and Workers' Compensation. Reconcile the total annual premium amounts recorded in the general ledger and SAO.

**Response:**

**Please see the Automobile and Worker's Compensation invoices.**

**Witness: Mike D. Sanford, MPA**

20. Refer to Lake Village Water's response to Staff's First Request, Item 15(c) and 30\_LVWA\_Bylaws, page 6. Lake Village Water did not provide all the requested information. Provide the meeting minutes, board resolution, compensation policy, or other documentation approving each member of the Board of Director's compensation.

**Response:**

**Please see the December 14, 2023 meeting minutes.**

**Witness: Mike D. Sanford, MPA**

21. Refer to Lake Village Water's Response to Staff's First Request, Item 3, General Ledger 2024 and Item 11, 11\_a\_LVWA\_2024\_Water\_Purchased\_Data. The reconciliation provided for purchased water expense reflects a total purchased water expense of \$640,461. However, the general ledger and SAO reflect test year purchased water expense of \$630,041. Reconcile the difference and provide supporting calculations and identify any amount excluded, reclassified or adjusted from the reconciliation schedule to arrive at the test year expense reflected in the SAO.

**Response:**

**The Lake Village Water Association is consulting Kerbaugh, Rodes and Butler, CPA to determine why an adjustment was made and why the purchased water expense was reported as \$630,041. A supplemental response will be provided as soon as possible.**

**Witness: Mike D. Sanford, MPA**

22. Refer to Lake Village Water's Response to Staff's First Request, Item 6. Reconcile all the values provided as no addition of these values result on \$58,646. Include in the response the exact formula used to calculate the Other Water Revenues amount of \$58,646.

and Butler who completed the 2024 Annual Report and 2024 Financial Audit to verify the amount of penalties reported. If a discrepancy is found, an amended Annual Report will be filed with the Public Service Commission.

**Witness: Mike D. Sanford, MPA**

23. Refer to Lake Village Water's Response to Staff's First Request, Item 6 and Item 19. Lake Village Water mentioned that \$9,804.25 was the dollar amount collected in other non-recurring charges.

a. Specify what charges specifically add up to that dollar amount as the nonrecurring charges provided in response to Item 19 add up to \$993.

**Response:**

**The Lake Village Water Association Response to Staff's First Request, Item 6 and Item 19 is an error. \$9,804.25 was not collected as nonrecurring charges. The total amount of nonrecurring charges for 2024 is \$993.**

**Witness: Mike D. Sanford, MPA**

b. Reconcile and explain the difference between these 2 values for nonrecurring charges.

**Response:**

**The Lake Village Water Association Response to Staff's First Request, Item 6 and Item 19 is an error. The total amount of nonrecurring charges for 2024 is \$993.**

**Witness: Mike D. Sanford, MPA**

24. Refer to Lake Village Water's response to Staff's First Request, Item 27. Lake Village Water did not provide all the requested information. Explain why the Retail and Wholesale Revenue values in the Existing Billing Analysis of \$1,599,363 and \$267,203 respectively do not match the pro forma sales values represented in the SAO for Residential of \$1,683,896 and Commercial Customers of \$143,290. Provide evidence

in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible of the documentation used to calculate the pro forma sales values for the SAO in the application.

**Response:**

**The Lake Village Water Association Annual Report stated test year revenues by classification of customer, Residential or Commercial. The test year billing analysis calculated test year revenues by the rate design in Lake Village Water Association's tariff. There are customers classified as commercial that do not receive the wholesale rate. The revenues would not match as stated in the question. The test year billing analysis is provided in the excel file provided with the application. See the file titled, Attachment\_12\_LVWA\_2024\_Rate\_Study.xlsx, tab ExBA**

**Witness: Mike D. Sanford, MPA**