

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PROPOSED ADJUSTMENT OF)
THE WHOLESALE WATER SERVICE RATES) CASE NO.
OF LEBANON WATER WORKS) 2017-00417

COMMISSION STAFF'S SECOND REQUEST FOR
INFORMATION TO LEBANON WATER WORKS

Lebanon Water Works ("Lebanon"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due on or before May 3, 2018. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Lebanon shall make timely amendment to any prior response if it obtains information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Lebanon

fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Lebanon shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide all work papers and calculations Lebanon used to calculate its revenue requirement and requested wholesale rate. These work papers, calculations, and assumptions are to be in Excel spreadsheet format with all columns and rows unprotected and accessible.

2. For the proposed test year provide the following:

a. The general ledger for Lebanon's water operations. Include all check registers and spreadsheets used to record and track financial transactions in Excel spreadsheet format with all formulas intact and unprotected, and with all columns, rows, and links accessible.

b. Lebanon's adjusted trial balance and audit adjustments for the proposed test period. The trial balance shall be traced and referenced directly to the general ledgers requested in Item 2a.

3. a. For the most recently concluded fiscal year provide the following: The general ledger for Lebanon's water operations for the most recently concluded fiscal year. Include all check registers and spreadsheets used to record and tracked financial

transactions in Excel spreadsheet format with all formulas intact and unprotected, and with all columns, rows, and links accessible.

b. Lebanon's adjusted trial balance and audit adjustments for the most recently completed fiscal year. The trial balance shall be traced and referenced directly to the general ledgers requested in Item 3a.

4. Provide the "Uniform Financial Information Report" that Lebanon submitted to the Kentucky Department of Local Government for the fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017.

5. For each outstanding revenue bond issuance and long-term loan related to Lebanon's water operations, provide:

- a. The ordinance or resolution authorizing the bond and loan issuance.
- b. A copy of the bond and loan amortization schedule.
- c. A detailed explanation of why the debt was incurred.

6. List all persons on Lebanon's payroll during the proposed test period. For each employee, state his or her job duties, total wages paid during the fiscal year, current salary or wage rate, and the percentage of work hours spent performing duties for each department during the fiscal year. If Lebanon's records do not permit the allocation of an employee's work hours among departments, provide an estimate for each employee and explain how Lebanon derived the estimate.

7. Provide job titles, job descriptions, and pay rates for each employee on December 31 for calendar years 2013 through 2017.

8. Using a table format, provide the following actual full-year salary information for each employee, identified by employee number and job title, for the years 2013

through 2017 (in gross dollars — not hourly or monthly rates). The employee salary information for each year shall be provided in a separate table. Provide the requested tables in an Excel spreadsheet format with all columns and rows unprotected and accessible.

- (1) Regular salary or pay.
- (2) Overtime pay.
- (3) Vacation payout.
- (4) Standby/Dispatch pay.
- (5) Bonus pay.
- (6) Other amounts paid and reported on the employees' W-2

(specify).

9. Using a table format, provide the regular hours and overtime hours for each employee identified in Lebanon's response to Item 8. for the years 2013 through 2017. The employee salary information for each year shall be provided in a separate table. Provide the requested table in an Excel spreadsheet format with all columns and rows unprotected and accessible.

10. Using a table format, provide the following actual full-year benefit information for each employee, identified by employee number and job title, for the years 2013 through 2017. The employee's benefit information for each year shall be provided in a separate table. Provide the requested tables in an Excel spreadsheet format with all columns and rows unprotected and accessible.

- a. Healthcare benefit cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- b. Dental benefits cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- c. Vision benefits cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- d. Life insurance cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- e. Accidental death and disability benefits for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- f. Defined Contribution - 401 (k) or similar plan cost for each employee.

Provide the amount paid by Lebanon.

- g. Defined Benefit Retirement cost for each employee.
 - (1) Amount paid by Lebanon.
 - (2) Amount paid by each employee.
- h. Cost of any other benefit available to an employee (specify).

11. Provide a listing of all health care plan categories available to Lebanon's employees, i.e., single, married no dependents, single parent with dependents, family,

etc. For each employee listed in Lebanon's response to Item 22 identify the type of health insurance coverage the employees are provided.

12. For each employee listed in Item 6, describe how Lebanon allocated his or her payroll and payroll overhead charges to each department for the proposed test period. This response shall include a detailed explanation of all allocation procedures. Payroll overhead charges include payroll taxes, health-insurance premiums, pension costs, and any other employee benefit costs.

13. List all joint or shared costs that Lebanon incurred during the proposed test period. For each cost, list the vendor, total expense amount, amounts allocated per division, and the basis for allocation.

14. Describe the procedures to allocate joint and shared costs among Lebanon's divisions for the proposed test period.

15. Provide all internal memorandums, policy statements, correspondence, and documents related to the allocation of joint and shared costs.

16. Refer to Lebanon's Mach 7, 2018, response to Commission Staff's Request for Information, Item 1b. Provide the schedules in Excel spreadsheet format with all formulas intact, unprotected, with all columns, rows and links accessible.

17. Lebanon is proposing an 8.9 percent increase to its meter charge and a 34 percent increase to its volume charge. Provide a detailed explanation how these percentage increases were determined, include all calculations, state all assumptions. Provide all schedules in Excel spreadsheet format with all formulas intact and unprotected, and with all columns, rows and links accessible.

18. Provide a list containing the location, size, and age of the meters that are used to serve Marion County.

19. Refer to the testimony of Holly L. Nicholas, Page 3. Provide a copy of the completed rate study presented to the Lebanon's Board on June 12, 2017. Provide all schedules included in the study in Excel spreadsheet format with all formulas intact, unprotected, with all columns, rows and links accessible.

20. Lebanon's proposed tariff includes a rate case surcharge.

a. Provide a list of other utilities that have a rate case surcharge included in their tariff.

b. Provide a detailed explanation of the following:

(1) Support for the need of a rate case surcharge.

(2) Details of how rate case expenses will be recovered.

(3) Support for establishing a rate case surcharge in a utility's tariff rather than determined by the Commission on a case-by-case basis.



Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED APR 23 2018

cc: Parties of Record

*L Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*Marion County Water District
1835 Campbellsville Road
P. O. Box 528
Lebanon, KY 40033

*Honorable Damon R Talley
Attorney at Law
Stoll Keenon Ogden PLLC
P.O. Box 150
Hodgenville, KENTUCKY 42748

*Lebanon Water Works
120 S Proctor Knott Avenue
Lebanon, KY 40033

*David S Samford
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Kaelin G Reed
Mattingly & Nally-Martin, PLLC
104 W. Main Street
P.O. Box 678
Lebanon, KENTUCKY 40033

*Mary Ellen Wimberly
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801