

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC APPLICATION OF EDMONSON |) | CASE NO. |
| COUNTY WATER DISTRICT FOR A RATE |) | 2021-00013 |
| ADJUSTMENT PURSUANT TO 807 KAR 5:076 |) | |

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO EDMONSON COUNTY WATER DISTRICT

Edmonson County Water District (Edmonson District), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on March 5, 2021. Pursuant to the Commission's Orders in Case No. 2020-00085,¹ issued March 16, 2020, and March 24, 2020, (Edmonson District) SHALL NOT FILE the original paper copy of all requested information at this time, but rather shall file original paper copies within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Edmonson District shall make timely amendment to any prior response if Edmonson District obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Edmonson District fails or refuses to furnish all or part of the requested information, Edmonson District 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Edmonson District 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 copies of Edmonson District's general ledgers for calendar years 2019 and 2020. The general ledger shall include all check registers and spreadsheets used to record and track financial transactions. If available, provide a copy of the requested general ledgers in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

2. Provide copies of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years ended 2019

and 2020. The trial balances shall be traced and referenced directly to the general ledgers requested in Item 1.

3. Provide copies of Edmonson District's General Liability Insurance policies for 2019 and 2020.

4. Provide the minutes from Edmonson District commissioner meetings for the calendar years 2019, 2020, and the current period.

5. Provide a document listing the name of all commissioners for each of the five previous years, and 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.).

6. Provide the fiscal Court minutes approving each commissioner's appointment and compensation.

7. Refer to the Application, Attachment 5. Provide the workpapers for the pro forma adjustments described in the References page of the Attachment in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

8. Using a table format, provide the following information for each employee identified by employee number and job title: job description, date hired, date terminated (if applicable), and pay rates for each employee at December 31 for calendar years 2016 through 2020.

9. Using a table format, provide the regular hours and overtime hours for each employee identified in Edmonson District's response to Item 8 for the calendar years 2016

through 2020. Provide the requested table in an Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

10. Using a table format, provide the following actual full-year salary information for each employee listed in Item 8 above, identified by employee number and job title, for the calendar years 2016 through 2020 (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 formulas unprotected and all rows and columns fully accessible.

- a. Regular salary or pay.
- b. Overtime pay.
- c. Vacation payout.
- d. Standby/Dispatch pay.
- e. Bonus pay.
- f. Other amounts paid and reported on the employees' W-2 (specify).

11. Using a table format, provide the following actual full-year benefit information for each employee listed in Item 8 above, identified by employee number and job title, for the calendar years 2016 through 2020. 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 formulas unprotected and all rows and columns fully accessible.

- a. Health care benefit cost for each employee.
 - (1) Amount paid by Edmonson District.
 - (2) Amount paid by each employee.

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

Provide the amount paid by Edmonson District.

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

12. Provide a listing of all health care plan categories available to Edmonson District's employees, i.e., single, married no dependents, single parent with dependents, family, etc. For each employee listed in Item 4 above, identify the type of health insurance coverage the employees are provided.

13. Identify the number of new connections (meters) that Edmonson District installed in calendar year 2019. Also, identify the amount of tap-on fees Edmonson District collected in 2019 and the account where Edmonson District recorded its tap-on fees.

14. Identify the cost of the meters and services that Edmonson District capitalized in calendar year 2019. Also, identify the calendar year 2019 adjusting journal entry where the cost of the meters and services were transferred from the expense to the capital accounts.

15. Identify the labor Edmonson District capitalized associated with its meter installations. Explain in detail how the capitalized labor costs were capitalized.

16. Refer to the Application, Attachment 5, Schedule of Adjusted Operations, References C, Employee Wage Increase. Edmonson District explains that after the test year, calendar year 2019, wages were increased for most employees.

a. Provide a detailed employee list identifying the employees receiving wage increases and the percentage wage increase granted.

b. Provide a detailed explanation as to why all of Edmonson District's employees did not receive wage increases.

c. Given Edmonson District's current financial condition and its need for its requested 17.00 percent increase in rates, explain in detail why it is appropriate to give its employees the wage increases in 2019.

d. Provide a detailed explanation of any cost containment actions that Edmonson District has implemented in calendar years 2016 through 2020. Quantify the

financial impact that each cost containment action had on Edmonson District's financial condition.

17. Refer to the Application, Attachment 5, Schedule of Adjusted Operations, References E, Retiree Health Insurance Plan. Edmonson District explains that it has adopted a retiree health insurance plan funded completely by contributions to a Grantor Trust.

a. Identify the year in which Edmonson District began to provide to its employees the referenced retiree health insurance benefit.

b. Provide copies of the minutes from Edmonson District commissioner meetings wherein the retiree health insurance benefit plan was discussed.

c. Provide Edmonson District's written policy regarding the retiree health insurance benefit.

d. Provide a schedule listing annual payments Edmonson District made or received from the Grantor Trust for the period from the retiree health insurance plans inception.

e. Provide a detailed explanation as to how Edmonson District incorrectly recorded a \$31,568 benefit payment from the Grantor Trust as a debit to its Employee Pensions and Benefit expense.

18. Refer to the Application, Attachment 5, Schedule of Adjusted Operations, References J, Prior Period Adjustment.

a. Provide a detailed explanation of the \$45,713 prior period retained earnings adjustment that was made to Nonutility income in calendar year 2019 for the

retiree health insurance trust account. In the explanation, include the years the prior period adjustment covered.

b. Explain why Edmonson District made the prior period adjustment for the retiree health insurance trust account to its Nonutility income account rather than directly to retained earnings.

19. Provide a copy of Edmonson District's calendar year 2020 Depreciation Schedule in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
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DATED FEB 18 2021

cc: Parties of Record

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