

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MARTIN)	CASE NO.
COUNTY WATER DISTRICT FOR AN)	2021-00154
ALTERNATIVE RATE ADJUSTMENT)	

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

Martin County Water District (Martin 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 May 20, 2021. Pursuant to the Commission's Orders in Case No. 2020-00085,¹ issued March 16, 2020, and March 24, 2020, Martin 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.

Martin District shall make timely amendment to any prior response if Martin 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 Martin District fails or refuses to furnish all or part of the requested information, Martin 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, Martin 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 each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible:

a. Martin District's general ledger for the calendar years 2020 and 2021 to date;

b. Martin District's trial balance for the calendar years 2020 and 2021 to date;

c. General Liability Insurance policies for 2020 and the current period, if available;

d. Hours worked by each employee of Alliance Water Resources, Inc. (Alliance) that works directly with Martin District, separated by regular hours worked, overtime hours worked, and any other form of hourly wage for the calendar year 2020;

e. A document detailing the names, job titles, job description, and pay rates for each Martin District employee or Alliance employee that works directly with Martin District on December 31, 2018, December 31, 2019, December 31, 2020, and for those currently employed;

f. Minutes from Martin District commissioner meetings for the calendar years 2020 and the current period;

g. 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.); and

h. Fiscal Court minutes approving each commissioner's appointment and compensation.

2. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year ended 2020 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

3. Refer to the Application, Attachment 4, Schedule of Adjusted Operations.

a. Provide the workpapers for the pro forma adjustments described in the References page of the Attachment, and, if available, in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

b. Confirm that adjustment (D) on the Schedule of Adjusted Operations is explained in adjustment (E) on the References page.

c. For adjustment (C), state the reason for the one-time payment to Kentucky Retirement Systems (KERS), and documentation of the payment which would include, but is not limited to, a statement from KERS reflecting payment, and any correspondence with KERS regarding the one-time payment.

d. For adjustment (D), provide invoices for legal services in the amount of \$6,975, and for accounting expenses in the amount of \$25,000.

4. Provide the number of nonrecurring charges billed during the test period, separated by type of charge, and the total amount billed for each charge type.

5. Refer to the Application, Attachment 1, Customer Notice of Proposed Rate Adjustment.

a. Explain how both the proposed minimum bill for each meter size as well as the per 1,000 gallon rate was calculated.

b. Explain and provide any other alternative methods for calculating the proposed rates.

6. Refer to the Application, Attachment 1, Customer Notice of Proposed Rate Adjustment. Martin District states that a residential customer consumes an average of 4,000 gallons per month. In Attachment 4(b), Rate Impact From 2021 Budget Submittal,

Martin District shows that the average monthly customer usage is approximately 6,000 gallons. Reconcile these two amounts of average customer usage per month.

7. Martin District is requesting that an emergency rate be approved while the Commission completes its review of its rate application. Provide support for this request while also explaining how denying this request could harm the customers of Martin District.

8. Refer to the Application, Attachments 5 and 6, Current and Proposed Billing Analysis as well as Attachments 5 and 6, Current and Proposed Billing Analysis in Martin District's previous rate application, Case No. 2018-00017.² Provide the current and proposed billing analysis in the immediate case in the same format that was provided in Martin District's 2018-00017 filing.

9. Refer to the Application, Attachments 5 and 6, Current and Proposed Billing Analysis.


a. Martin District states that due to accuracy concerns with its BillXpress software, the information is based on six months usage during the time when its INCODE billing software was initiated. Martin District then proposes to annualize the six months usage to calculate a 12-month estimated total. Provide the six months of usage data from the BillXpress software as well as the six month usage data from the INCODE software to compare with the annualized information that was provided in the application.

² Case No. 2018-00017, *Electronic Application of Martin County Water District for an Alternative Rate Adjustment* (filed Jan. 16, 2018), Attachment 5 and 6.

b. Explain the accuracy concerns that Martin District has with the billing information compiled by the BillXpress software and why the information provided by the INCODE software is considered to be more accurate.

c. Martin District states that the actual test period revenue and normalized revenue from the billing analysis are both \$2,539,382.28. This indicates that Martin District made no adjustments to the customer billing data from leak adjustments or other adjustments to customers' bills such as misread meters. State whether Martin District made any such adjustments during the test period, and if so, provide them.

10. Refer to the Application, Attachment 4(a), Revenue Requirement Calculation. Provide a worksheet showing the calculation of the Average Annual Debt Principle and Interest Payments, and Debt Coverage Requirement.



Linda C. Bridwell, PE
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Public Service Commission
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DATED MAY 05 2021

cc: Parties of Record

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