

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WEST)	CASE NO.
SHELBY WATER DISTRICT FOR A RATE)	2021-00241
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO WEST SHELBY WATER DISTRICT

West Shelby Water District (West Shelby District), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on September 22, 2021. The Commission directs West Shelby District to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. 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 that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

West Shelby District shall make timely amendment to any prior response if West Shelby 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 West Shelby District fails or refuses to furnish all or part of the requested information, West Shelby 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, West Shelby 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 a copy of West Shelby District's general ledgers for calendar year 2020 and the current period. The general ledgers 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, columns, and rows unprotected and fully accessible.

2. a. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year ended 2020. The trial balances shall be traced and referenced directly to the calendar year 2020 general ledger requested in Item 1.

b. Provide a schedule tracing the account balances in trial balance directly to the calendar year 2020 general ledger requested in Item 1.

c. Provide a schedule tracing the account balances in trial balance directly to the actual test-year reported in the Application, Attachment 4, Schedule of Adjusted Operations.

d. Provide copies of the responses to Item 2.a, Item 2.b. and Item 2.c in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

3. a. Provide copies of West Shelby District's General Liability Insurance, Workers' Compensation Insurance and Automobile Insurance policies for 2019, 2020, and 2021.

b. Provide copies of the invoices (bills) received in 2019, 2020, and 2021 for the insurance policies identified in Item 3.a.

4. Provide the minutes from West Shelby District commissioner meetings for the calendar year 2020, and the current period.

5. Provide a document listing the name of all commissioners for each of the five previous calendar 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 4, Schedule of Adjusted Operations. Provide the workpapers that support the pro forma adjustments described in the

References page of the Attachment in Excel spreadsheet format with all formulas, columns, and rows unprotected and 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 and the pay rates as of April 1, 2021. Provide the requested tables in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

9. Using a table format, provide the regular hours and overtime hours for each employee identified in West Shelby 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, columns, and rows unprotected and 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 Excel spreadsheet format with all formulas, columns, and rows unprotected and 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 Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

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

Provide the amount paid by West Shelby District.

- g. Defined Benefit Retirement cost for each employee.

(1) Amount paid by West Shelby 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 West Shelby District's employees, i.e., single, married no dependents, single parent with dependents, family, etc. For each employee listed in Item 8 above, identify the type of health insurance coverage each employee was provided.

13. a. Identify the number of new connections (meters) that West Shelby District installed in calendar year 2019, 2020, and to date in 2021.

b. Identify the amount of tap-on fees West Shelby District collected in calendar years 2019, 2020, and to date in 2021.

c. Identify the account where West Shelby District recorded its tap-on fees.

14. Identify the cost of the meters and services that West Shelby District capitalized in calendar year 2020 and to date in 2021. Also, identify the calendar year 2020 adjusting journal entry where the cost of the meters and services were transferred from the expense to the capital accounts.

15. Identify the labor West Shelby District capitalized associated with its meter installations in calendar year 2020 and to date in 2021. Explain in detail how the capitalized labor costs were capitalized.

16. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, References C. III. Explain if West Shelby District adjusted its operating revenues and

expenses to annualize the usages for the customers added during the test-year, calendar year 2020.

17. Refer to the Application, Attachment 4, Schedule of Adjusted Operations, References B. West Shelby District explains that on May 20, 2021, it granted a three-percent pay increase to all employees.

a. Explain in detail why it is appropriate for West Shelby District to give a three-percent wage increase to each employee in 2021.

b. Provide a schedule in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible comparing annual employee wage increases granted in calendar years 2016 through 2020.

c. Provide a detailed explanation of any cost containment actions that West Shelby District has implemented in calendar years 2016 through 2020. Quantify the financial impact that each cost containment action had on West Shelby District's financial condition.

18. Provide copies of the cost justification sheets West Shelby District filed with the Commission to support the nonrecurring charges listed in the tables below or provide revised cost justification sheets based upon the document found in Appendix A.

a.	Service Reconnection Charge	\$ 50
b.	Service Reconnection Charge – After Hours	\$ 75
c.	Meter Recheck Charge	\$ 50
d.	Meter Test	\$ 75
e.	Inspection of Service Line	\$ 25
f.	Return Check Charge	\$ 30

19. Refer to the Application, Attachment 7.b., Proposed 2021 Depreciation Schedule and to the National Association of Regulatory Commissioners (NARUC) Depreciation Practices for Small Water Utilities, August 15, 1979, Figure 1, Typical

Service Lives, Salvage Rates, and Depreciation Rates, Small Water Utilities attached hereto as an Appendix B.

a. Provide a copy of West Shelby District's Proposed 2021 Depreciation Schedule in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

b. Provide any analysis or study that was prepared by West Shelby District or its Auditors showing that West Shelby District's Capitalization Policy and proposed depreciation lives are reasonable.

c. Provide a schedule in Excel format that compares the depreciation lives in West Shelby District's Proposed 2021 Depreciation Schedule to the average service life ranges in the NARUC survey.

d. Using the midpoint depreciation life of the average service life ranges in the NARUC survey recalculate West Shelby District's pro forma depreciation expense. Provide the recalculation of pro forma depreciation expense in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

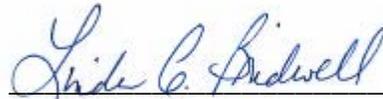
20. a. State when the last time West Shelby District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

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

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

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

21. Provide the total amount collected for each nonrecurring charge and the number of occurrences for each nonrecurring charge that was assessed during the test year.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
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DATED SEP 08 2021

cc: Parties of Record

APPENDIX A

APPENDIX TO A REQUEST FOR INFORMATION OF THE KENTUCKY
PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00241 DATED SEP 08 2021

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: _____

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

Total Field Expense \$ _____

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor _____

Total Clerical and Office Expense \$ _____

3. Miscellaneous Expense

A. Transportation \$ _____

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense \$ _____

Total Nonrecurring Charge Expense \$ _____

APPENDIX B

APPENDIX TO A REQUEST FOR INFORMATION OF THE KENTUCKY
PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00241 DATED SEP 08 2021

NARUC Depreciation Practices for Small Water Utilities, Depreciation Service Lives

NARUC Account Number	Class of Plant	Average Service Life Range		Mid-Point Service Life
	<u>Source of Supply & Pumping Plant</u>			
311.0	Structures and Improvements	35.0	40.0	37.5
312.0	Collecting & Impounding Res.	50.0	75.0	62.5
313.0	Lake, River and Other Intakes	35.0	45.0	40.0
314.0	Wells and Springs	25.0	35.0	30.0
315.0	Galleries and Tunnels	25.0	50.0	37.5
316.0	Supply Mains	50.0	75.0	62.5
317.0	Other Source of Water Supply Plant	30.0	40.0	35.0
	<u>Pumping Plant</u>			
321.0	Structures and Improvements	35.0	40.0	37.5
324.7	Pumping Equipment	20.0	20.0	20.0
328.0	Other Pumping Plant	25.0	25.0	25.0
	<u>Water Treatment Plant</u>			
	Structures and Improvements	35.0	40.0	37.5
	Water Treatment Equipment	20.0	35.0	27.5
	<u>Transmission & Dist. Plant</u>			
341.0	Structures and Improvements	35.0	40.0	37.5
342.0	Reservoirs & Tanks	30.0	60.0	45.0
343.0	Transmission & Distribution Mains	50.0	75.0	62.5
344.0	Fire Mains	50.0	75.0	62.5
345.0	Services	30.0	50.0	40.0
346.0	Meters	35.0	45.0	40.0
347.0	Meter Installations	40.0	50.0	45.0
348.0	Hydrants	40.0	60.0	50.0
	<u>General Plant</u>			
390.0	Structures and Improvements-General	35.0	40.0	37.5
391.0	Office Furniture & Equipment	20.0	25.0	22.5
392.0	Transportation Equipment	7.0	7.0	7.0
393.0	Stores Equipment	20.0	20.0	20.0
394.0	Tools, Shop and Garage Equip.	15.0	20.0	17.5
395.0	Laboratory Equipment	15.0	20.0	17.5
396.0	Power Equipment	10.0	15.0	12.5
397.0	Communication Equipment	10.0	10.0	10.0

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