

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
CANNONSBURG WATER DISTRICT FOR A)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR)	2024-00155
5:076)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO CANNONSBURG WATER DISTRICT

Cannonsburg Water District (Cannonsburg District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 15, 2024. The Commission directs Cannonsburg 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 question to which the response is made and 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

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).

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

Cannonsburg District shall make timely amendment to any prior response if Cannonsburg District obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Cannonsburg District fails or refuses to furnish all or part of the requested information, Cannonsburg 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 and scanned 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, Cannonsburg 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. Refer to Cannonsburg District's response to Commission Staff's First Request for Information (Staff's First Request), Item 4, Employee Payroll. State whether the district is planning to hire replacements for employees who left in 2023, and if Cannonsburg District is not hiring a replacement for one or more of the departed employees, explain the reasoning not to rehire each position. Provide the intended staff count for Cannonsburg District if all positions are filled.

2. Refer to Cannonsburg District's response to Staff's First Request, Item 5b, Employee Benefits.

a. Refer to general ledger account number 659-000, Health Insurance. Describe expenditures to Anthem Blue and provide the most recent invoice.

b. Refer to general ledger account, 659-100, Dental Insurance. Confirm the dental plan for Cannonsburg District's employees is still provided by Delta Dental in 2024, an explanation of the dental benefits offered and provide the most recent invoice available. If not confirmed, provide the name of the insurer as well as all the same requested information.

c. Refer to general ledger account 659-200, Disability Insurance. Clarify whether the amounts listed in the account are for disability insurance or life insurance. Also, confirm that Cannonsburg District still uses Anthem Life to offer this coverage to its employees and provide a copy of a recent invoice. If not confirmed, provide the name of the insurer as well as all the same requested information.

3. Refer to Cannonsburg District's response to Staff's First Request, Item 9.

a. Provide the fiscal court minutes for confirming the appointment date as well as the compensation approved by the Fiscal Court.

b. For each member of the Board of Commissioners (Board) for Cannonsburg District, for each of the calendar years 2022 and 2023 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.), each term (beginning and ending), and current authorized annual compensation.

4. Refer to Cannonsburg District's response to Staff's First Request, Item 1a, General Ledger 2022, Account 620, Materials and Supplies.

a. Provide copies of each invoice listed below Item 5(d).

b. Refer to the chart listed below Item 5(d). Describe each purchase and state whether each item should have been capitalized.

c. Refer to the chart listed below Item 5(d). If Cannonsburg District believes its classification as an expense is proper, explain the reasoning.

d. Refer to the chart listed below Item 5(d). If an item should have been capitalized, provide the appropriate NARUC depreciation life for it.

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
02/03/2022	132637	USA Bluebook	7,447.34
10/31/2022	132958	Ixom Watercare Inc.	10,285.90
12/14/2022	133012	Workmans Water Services	6,800.00

5. Refer to Cannonsburg District's Response to Staff's First Request, Item 1a, General Ledger 2022, Account 635, Contracted Services.

a. Refer to the 11 instances of payments to Enterprise FM Trust totaling \$62,174.73. Explain the purpose of the expenditures and provide a copy of an invoice and any associated contract documents.

b. Refer to the 16 instances of payments to BFMC, INC totaling \$14,268.75. Explain the purpose of the expenditures and provide a copy of an invoice and any associated contract documents.

c. Provide a copy of each invoice listed in the chart below Item 6(f).

d. Refer to the chart listed below in Item 6(f). Describe each purchase and state whether the following items should have been capitalized.

e. Refer to the chart listed below in Item 6(f). If Cannonsburg District believes its classification as an expense is proper, explain the reasoning.

f. Refer to the chart listed below. If an item should have been capitalized, provide the appropriate NARUC depreciation life for it.

Date	Name	Memo	Amount
05/05/2022	BLK Construction LLC	Rosewood/Boothquillen	5,054.00
07/22/2022	BLK Construction LLC	Asphalt	9,510.00
10/31/2022	BLK Construction LLC	Asphalt	12,437.80

6. Refer to Cannonsburg District's response to Staff's First Request, Item 7, 2022 Gallons Purchased and Item 3, Cannonsburg Rate Model, Water Purchase Tab. Explain the difference between the total purchases of 320,018,000 gallons in Item 7 and the total purchases of 329,001,000 gallons in Item 3.

7. Refer to the Application, Schedule of Adjusted Operations, Miscellaneous Expense. Provide a breakdown of the expenses that make up the Miscellaneous Expense in the amount of \$128,227.

8. Refer to Cannonsburg District's response to Staff's First Request, Item 1a, 2022 General Ledger, Accounts 675-500 and 676-600, Miscellaneous Expenses.

9. Confirm that the amounts listed for Elan Credit Card in account 675-500 and Elan in account 676-600 are for the same service. If not confirmed, please explain why not.

a. Describe the services provided including the terms of the service.

b. Provide a copy of a recent invoice.

c. If the service is for credit card fees on collections from customers, state whether Cannonsburg District's customers pay for any portion of the fees.

10. Refer to Cannonsburg District's response to Staff's First Request, Item 1a, 2022 General Ledger, Accounts 675-500 and 676-600, Miscellaneous Expenses. Refer to payment to A to Z Home Improvement in the amount of \$8,500 on March 15, 2022, in account 676-600.

a. Provide an explanation for the expenditure and state whether it should have been capitalized.

b. Provide a copy of the invoice.

c. If Cannonsburg District believes its classification as an expense is proper, explain the reasoning.

d. If the item should have been capitalized, provide the appropriate NARUC depreciation life for it.

11. Refer to Cannonsburg District's response to Staff's First Request, Item 1a, 2022 General Ledger, Accounts 675-500 and 676-600, Miscellaneous Expenses. Refer to payment to Howerton Engineering & Surveying PLLC in the amount of \$2,000 on April 21, 2022, in account 675-500. Provide an explanation for this expenditure.

12. Refer to Application, Item 4, Revenue Requirements Table. Explain why Nonutility Income in the amount \$21,075 was shown as a reduction from the total revenue requirement but was not actually removed when determining the revenue required from rates.

13. Refer to Cannonsburg District's response to Staff's First Request, Item 1a.

a. Provide an explanation for the Miscellaneous Service Revenue items totaling \$72,994.84 listed in the 2022 General Ledger Account 471-000.

b. Explain whether the Miscellaneous Service Revenue in the amount of \$72,994.84 listed in the 2022 General Ledger Account 471-000 was reported as Other Water Revenue and where it appears in the 2022 Annual Report.

14. Refer to Cannonsburg District's response to Staff's First Request, Item 1a. and Item 15. Reconcile the monthly amounts of Late Penalty revenue in the 2022 General Ledger account 470-000-Water Penalties totaling \$45,386 with the monthly amounts listed in the response to Cannonsburg District's response to Staff's First Request, Item 15.

15. Refer to Cannonsburg District's response to Staff's First Request, Item 1a and Item 16. Using the format below, provide a schedule listing the number of occurrences and the total amount charged for each nonrecurring charge recorded during the test year of 2022, i.e. Connection/Turn On, Connection/Turn On After Hours, Meter Reread Charge, Re-Connection Charge, Re-Connection Charge After Hours, Service Call/Investigation Charge, Service Call/Investigation Charge After Hours, Returned Check Charge, Meter Test Charge, Field Collection Charge, Meter Relocation Charge, and Damage to Lid or Meter Equipment. If the revenue for any nonrecurring charge in the test year was zero, include that charge and indicate that no revenue was recorded. Include the general ledger account numbers where each nonrecurring charge is recorded.

NRC	Occurrences	Current Charge	Total Collected	
Connection/Turn On				
Connection/Turn On After Hours				
Meter Reread Charge				
Re-Connection Charge				
Re-Connection Charge After Hours				
Service Call/Investigation Charge				
Service Call/Investigation Charge After Hours				
Damage to Lid or Meter Equipment				
Returned Check Charge				
Meter Relocation Charge				
Meter Test Charge				
Field Collection Charge				

16. Refer to Cannonsburg District’s response to Staff’s First Request, Item 17. Cannonsburg District’s response to Item 17 was incomplete as it did not include cost justification sheets for all nonrecurring charges listed in the current tariff. Provide an updated cost justification sheet to support the nonrecurring charge listed in Cannonsburg District’s tariff as Field Collection Charge.

17. Refer to Cannonsburg District’s response to Staff’s First Request, Item 1a, 2022 General Ledger, Account Number 471-000 Miscellaneous Service Revenue. Provide details of what charges are listed in the account and state whether any of the amounts are nonrecurring. If the amount is considered nonrecurring, explain why.

Linda C. Bridwell, PE
 Executive Director
 Public Service Commission
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DATED JUL 31 2024

cc: Parties of Record

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