

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WARREN)	
COUNTY WATER DISTRICT FOR AN)	CASE NO.
ADJUSTMENT OF RATES FOR WATER)	2024-00200
SERVICE)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO WARREN COUNTY WATER DISTRICT

Warren County Water District (Warren 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 September 13, 2024. The Commission directs Warren 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.

Warren District shall make timely amendment to any prior response if Warren 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 Warren District fails or refuses to furnish all or part of the requested information, Warren 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, Warren 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 the Application, Exhibit 4, at unnumbered page 36.
 - a. Explain why Warren District is proposing to remove purchased water rates from the tariff sheets and why such a change is reasonable.
 - b. Provide the date that Warren District stopped purchasing water from Bowling Green Municipal Utilities and why.

2. Refer to the Application, Exhibit 8, Schedule of Adjusted Operations, Revenue Requirements, and References – Water. Provide all workpapers used to generate the proposed adjustments, provide in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

3. Refer to Application Statement of Adjusted Operations. Provide a cross reference that matches each 2023 general ledger account to each revenue and expense line in the Schedule of Adjusted Operations and reconcile each amount that does not match.

4. Refer to the Application, Attachment 8, Revenue Requirement Table.

a. For each outstanding debt issuance still active, provide the amortization schedule.

b. For each outstanding debt issuance still active, provide the case number in which Warren District was authorized to issue the debt.

5. Refer to the Application Exhibit 8, Statement of Adjusted Operations. Also refer to Warren District's response to Commission Staff's First Request for Information (Staff's First Request), Item 10. In the Statement of Adjusted Operations, Contractual Services – Legal is reported as \$16,922; however, in the response to Staff's First Request, Item 10, it is recorded as \$18,418.74. Reconcile and explain the discrepancy.

6. Refer to the Application Exhibit 8, Statement of Adjusted Operations. Also refer to the Application, Exhibit 15, Exhibit_015_DepreciationSchedule.xlsx, Row 9354. In Exhibit 8, the test-year Depreciation Expense is \$3,763,349. In Exhibit 15, the 2023 Depreciation Expense is recorded as \$4,012,936. Explain and reconcile the difference between the total depreciation expenses.

7. Refer to the Application Exhibit 8, Statement of Adjusted Operations, References, Adjustment A. Also refer to Warren District's response to Staff's First Request, Item 23. Explain the justification for all employees receiving a 2 percent increase for merit, when it is based on job performance.

8. Refer to the Application Exhibit 8, Statement of Adjusted Operations. Also refer to Warren District's response to Staff's First Request, Item 30, billing analysis, and Warren District's 2023 Annual Report, page 49.

a. Explain why Warren District did not make an adjustment to its metered revenue as the billing analysis filed shows a metered revenue of \$5,854,191, compared to total metered revenue of \$15,925,794 in its Annual Report.

b. Explain why there is an approximate 64 percent difference between the revenues from the Annual Report and Warren District's billing analysis.

c. Explain how Warren District was able to verify that the proposed rates will generate the revenue required from rates if the billing analysis filed by Warren District differs from the Annual Report revenue by approximately 64 percent.

9. Refer to Warren District's Application, Exhibit 10 as well as the responses to Staff's First Request, Item 30.

a. Explain why a billing analysis that differs from the one included in the Application was provided as part of Staff's First Request.

b. Clarify which billing analysis should be used.

c. Provide a copy of the one included as Attachment 10 of the Application in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

10. Refer to Exhibit 9a, the written testimony of Ross Guffey at page 5. If a billing analysis was performed, explain why no adjustment to the test period metered revenues was provided in Exhibit 8, Statement of Adjusted Operations and Revenue Requirement Calculation.

11. Refer to Warren District’s response to Staff’s First Request, Item 30, billing analysis. Provide support for the \$104,058.09 and \$53,049.95 in unbilled revenues for residential and commercial customers, respectively.

12. Refer to Warren District’s response to Staff’s First Request, Item 1e, 09_Exhibit_1-1e.xlsx, Pro Forma Wage Calculation Tab, Rows 8 thru 81 and Rows 113 thru 119. Reconcile and explain why the 2024 Average Pay Rate for “Customer Service Wages Recording to 100 percent Expense in Year 2024” does not match the 2024 Average Pay Rate for the same employee in Rows 8 thru 81, as shown in the following table.

Dept	Position	Job Title	Row 113 thru 119 2024 Average Pay Rate	Row 8 thru 81 2024 Average Pay Rate
2K	41	Customer Service Supervisor	\$ 29.87	\$ 29.57
2I	49	Customer Service Representative	21.35	21.09
2I	60	Operations Clerk	23.11	22.94
2I	199	Customer Service Representative	20.28	20.00
2I	217	Customer Service Representative	17.12	16.85
2I	222	Applications Clerk	19.45	19.67
2I	224	Customer Service Representative	18.17	18.20

13. Refer to Warren District’s response to Staff’s First Request, Item 19, 11_Exhibit_1-19.xlsx, June 2024 Depreciation Schedule Tab, Rows 5,347 through 5,598. Explain why these meters have 10-year depreciable lives.

14. Refer to Application, Exhibit 15, Attachment, Depreciation Schedule.

- a. Specify which of the 5/8-inch meters on the Excel spreadsheet are Badger M25 meters.
- b. Specify the manufacturer of each type of meter on the Excel spreadsheet as well as the associated place in the Excel spreadsheet.
- c. Identify if any of the Badger meters are still under warranty and, if any, explain any warranty benefits.
- d. State the number and age of any 5/8-inch meters that are not the Badger M25 meters in use by Warren District.

15. Refer to Application, Exhibit 11, Line 45 and Application, Exhibit 8, page 4, Adjustment I.

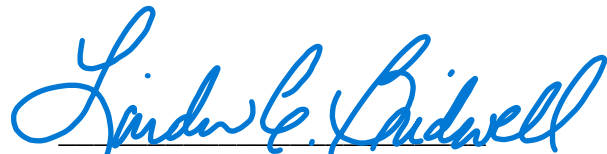
- a. Explain what Warren District's plan is for replacing failing meters.
- b. State whether Warren District plans to replace any failing meters with upgraded metering technology. If so, explain what those plans are.
- c. State why Warren District plans to replace 5,948 meters.
- d. Provide how many of the 5,948 meters are Badger Meters.

16. Refer to Case No. 2024-00061,² Butler County Water System, Inc's (Butler County Water) Response to Commission Staff's Third Request for Information, Item 3.

- a. Explain whether similarly to Butler County Water, Badger M25 Size 5/8-inch meters that are approaching 10 years of service would likely be replaced under a 15-year warranty. If so, explain what effect this replacement would have on the meters' useful lives.

² Case No. 2024-00061, *Electronic Application of Butler County Water System, Inc for a Rate Adjustment Pursuant to 807 KAR 5:076* (filed July 22, 2024), Response to Commission Staff's Third Request for Information

- b. Provide copies of documentation of any requests Warren District has made regarding the replacing of the Badger M25 Size 5/8-inch meters pursuant to the 15-year warranty.
- c. Provide any information regarding Warren District's success at replacing Badger M25 Size 5/8 Meters under warranty.
- d. For all non-Badger meters, explain whether Warren District believes that a 20-year service life is still appropriate. If not, explain why not, and identify what service life would be more appropriate.
- e. State whether Warren District believes that setting all meters at a 15-year useful life in a depreciation schedule would be reasonable. If not, explain why not.
- f. Provide the failure rate for all non-Badger meters for the period of 2018 to present, including the inputs used to determine the calculation.



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DATED AUG 30 2024

cc: Parties of Record

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