

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 SEWER)	2024-00201
SERVICE)	

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

Warren County Water District Sewer Division (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 October 11, 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 Warren District's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 1. The response is unresponsive. Commission Staff requested the workpapers used to calculate all the proposed adjustments. Warren District did not provide the workpapers or the formulas used to calculate adjustments A, B, C, I, and J; provide the workpapers and the formulas showing

how the adjustment amounts were calculated. Provide the workpapers or the formulas used.

2. Refer to the Application, Exhibit 7, Statement of Adjusted Operations and Revenue Requirement Calculation. Also refer to Warren District’s response to Staff’s Second Request, Item 2. In the Statement of Adjusted Operations, Warren District reported \$432,358 in Interest Income. Provide a specific breakdown of the Interest Income subaccounts provided in Item 2, include specific items and the specific sources, include in response the sources that constitute the balances in the table below.

Account Number	Description	Amount
419-0000-3	INTEREST INCOME - SINKING / MISC	\$ 101,016
419-0001-3	INTEREST INCOME - DEPRECIATION RESERVE FUND	204,033
419-0007-3	INTEREST INCOME - CD's (FRANKLIN, SERIES 2022D)	127,309
		<u>\$ 432,358</u>

3. Refer to the Application, Exhibit 7, Statement of Adjusted Operations and Revenue Requirement Calculation. In the Statement of Adjusted Operations, Warren District proposed an \$4 increase to Miscellaneous Non-utility Income; but provided no explanation or justification for the adjustment. Provide an explanation for the adjustment. Include in the response any workpapers used to calculate the adjustment.

4. Refer to the Application, Exhibit 7, Statement of Adjusted Operations and Revenue Requirement Calculation, Adjustment B. Also refer to Warren District’s response to Commission Staff’s First Request for Information (Staff’s First Request), Item 1e, Exhibit_1-1e_EmployeePayInformation.xlsx, 2024 Sewer Proforma2, Rows 80 thru 89. Warren District proposed an increase to Employee Overhead of \$12,746 due to the reclassification of Customer Service Representative Wages from capitalized to expenses.

However, in the response to Item 1e, that reclassification is already accounted for in Wages as an increase of \$39,323.

a. Identify and explain the expenses that make up the proposed \$12,746 increase;

b. Explain how the \$12,746 was calculated; and

c. Explain why the \$12,746 is included as a part of overhead.

5. Refer to Warren District's 2023 Sewer Division Annual Report, Page 25, Statement of Income for the Year. Also refer to the Application, Exhibit 7, Statement of Adjusted Operations and Revenue Requirement Calculation. In the 2023 Annual Report, the Taxes other than Income are reported as \$2,295; however, in the Statement of Adjusted Operations it is reported as \$0. Reconcile and explain the difference.

6. Refer to Warren District's response to Staff's First Request, Item 1f. Provide a copy of the current invoice for each employee benefit(s) described and provided in the response to Item 1f.

7. Refer to the Application, Exhibit 8, Written Testimony of Jeff Peeples.

a. Explain how Warren District determined the split of 70 percent contribution from the district and 30 percent contribution from employees for medical insurance.

b. Explain specifically why these percentages are reasonable for Warren District when compared to the United States Bureau of Labor Statistics national average for private employers for employee medical and dental expense.

8. Refer to the Application, Exhibit 8, Written Testimony of Ross Guffey. Explain how Warren District increased its volumetric and minimum charges for sewer service and provide documentation to support its calculations.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
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DATED SEP 27 2024

cc: Parties of Record

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