

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LEVEE ROAD)	CASE NO.
WATER ASSOCIATION, INC. FOR A RATE)	2024-00067
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO LEVEE ROAD WATER ASSOCIATION

Levee Road Water Association (Levee Road Water), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on July 17, 2024. The Commission directs Levee Road Water 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.

Levee Road Water shall make timely amendment to any prior response if Levee Road Water 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 Levee Road Water fails or refuses to furnish all or part of the requested information, Levee Road Water 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, Levee Road Water 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, Attachment 4, Schedule for Adjusted Operations; Levee Road Water's response to Commission Staff's First Request for Information (Staff's First Request), Item 7a; and Levee Road Water's response to Staff's First Request, Item 1a, 1_a_2022_General_Ledger.xlsx, rows 1641 through 1647. Levee Road stated that it does not provide benefits to its employees but also reported retirement benefits of \$427 in the Schedule of Adjusted Operations.

a. Confirm whether Levee Road Water provides retirement benefits. If so, explain the program Levee Road Water uses to provide retirement benefits (i.e., County Employee Retirement System, 401(k), etc.)

b. Identify what contribution methodology level Levee Road Water uses to determine how much to contribute to employee retirement.

c. If benefits are not provided, state whether the amounts recorded should be reclassified to another expense classification.

2. Refer to Levee Road Water's response to Staff's First Request, Item 1a, 1_a_2022_General_Ledger.xlsx, Bad Debt Expense, rows 1339 through 1342.

a. Provide a list of the number of write-offs and the dollar amounts of each write-off during the test year.

b. Provide the methodology used by Levee Road Water to record bad debt expense in general.

3. Refer to Levee Road Water's response to Staff's First Request, Items 11a, 11b, and 11c. Levee Road Water reported nine new meter connections were installed during the test year.

a. Confirm that the new meter connections were installed using contract labor. If not, explain who completed the installations.

b. Confirm that the material was not capitalized. If not, explain why.

c. Provide the account(s) in which tap fees received were recorded as a revenue and the costs for the tap installations were recorded as an expense.

4. Refer to Levee Road Water's Response to Staff's First Request, Item 1a, 1_a_2022_General_Ledger.xlsx, Repairs & Mtce, rows 1624 through 1637. Provide

copies of each invoice listed in the chart below. Describe each purchase and state whether each item should have been capitalized and if not, why recording as an expense was appropriate.

Repairs & Mtce.

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Split</u>	<u>Amount</u>
01/13/2022	12450	McKinney Contracting	Cash - Revenue & Operations	3,325.00
04/14/2022	12507	McKinney Contracting	Cash - Revenue & Operations	1,402.50
05/12/2022	12526	McKinney Contracting	Cash - Revenue & Operations	2,393.00
09/08/2022	12598	McKinney Contracting	Cash - Revenue & Operations	2,230.00
12/21/2022	12659	McKinney Contracting	Cash - Revenue & Operations	1,030.00

5. Refer to Levee Road Water’s response to Staff’s First Request, Item 1a, 1_a_2022_General_Ledger.xlsx, Cell X1519. Also refer to Levee Road Water’s response to Staff’s First Request, Item 14. Levee Road Water reported \$9,910.52 in penalties during the test year. Confirm whether the reported penalties are late fees. If so, confirm the account in which the late Fee Revenues are recorded. If not, explain the nature of the penalties.

6. Refer to Levee Road Water’s response to Staff’s First Request, Item 1c, 1_c_Trial_Balance_2022_Book_9.xlsx, Row 1. Also refer to Levee Road Water’s response to Staff’s First Request, Item 1a, 1_a_2022_General_Ledger.xlsx. The Trial Balance is dated December 31, 2023. Provide the 2022 Trial Balance.

7. Refer to Levee Road Water’s response to Staff’s First Request, Item 1c, 1_c_Trial_Balance_2023_Book_7.xlsx. Also refer to Levee Road Water’s response to Staff’s First Request, Item 1a, 1_a_2022_General_Ledger.xlsx. The spreadsheet supplied is a duplicate of the Excel spreadsheet supplied for Item 1a. Provide the 2023 Trial Balance.

8. Refer to Levee Road Water's response to Staff's First Request, Item 13_b_LRWA_billing_analysis.pdf. Provide an itemized list of the Total Billing Adjustments of \$9,371.20.

9. Refer to Levee Road Water's response to Staff's First Request, Item 1a, 1_a_2022_General_Ledger.xlsx, Misc. Income at rows 1099 through 1102, Item 15_NRC_occurrences.pdf, and the Application, Attachment 4, Schedule for Adjusted Operations, Other Water Revenues. Provide a breakdown of items totaling Other Water Revenues of \$3,607.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED JUL 03 2024

cc: Parties of Record

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