

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF REID VILLAGE WATER	)	
DISTRICT TO ISSUE INDEBTEDNESS TO	)	
OBTAIN A LOAN FROM THE KENTUCKY	)	
INFRASTRUCTURE AUTHORITY IN THE	)	CASE NO. 2016-00086
APPROXIMATE AMOUNT OF \$401,625	)	
FOR THE PURPOSE OF PURCHASING	)	
IMPROVED REAL PROPERTY	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO REID VILLAGE WATER DISTRICT

Reid Village Water District ("Reid Village"), pursuant to 807 KAR 5:001, is to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due within six days of the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. 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 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.

Reid Village shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though

correct when made, is now incorrect in any material respect. For any request to which Reid Village fails or refuses to furnish all or part of the requested information, Reid Village shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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 utility operations and jurisdictional operations. When filing a paper containing personal information, Reid Village 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 the current address for the office space and maintenance building that are to be acquired ("property").
2. State the name of the individual or entity that currently owns the property.
3. State whether the individual that is to convey the property is a related party with respect to any employee of Reid Village or its commissioners, and how they are related.
4. State whether the property is currently occupied, and if this is confirmed, provide a description of the type of business or activity for which the current occupants use the property.
5.
  - a. State the date that the property was originally placed on the market.
  - b. State the original asking price of the property.

c. Provide detailed information about the address, location with respect to Reid Village's current facilities, square footage, and type of property of any alternative locations that Reid Village considered before selecting the property.

d. State approximately how long Reid Village engaged in a search for a new location and provide any internal or external correspondence that details how the property was selected.

6. Provide the current property tax assessed value for the property.

7. Provide a copy of the appraisal that was obtained for the property. If no appraisal was obtained, explain why not.

8. Provide a side-by-side comparison of Reid Village's current expenses related to the office building and field crew location to the projected expenses of the proposed property for 12 calendar months including the proposed debt payment.

9. Refer to the Application, Exhibit G. The Exhibit projects that Reid Village's annual revenues in the years 2015 through 2019 will be \$582,753. Provide a detailed calculation of this amount and show all assumptions that were made to arrive at this amount.

10. Reid Village's 2014 Annual Report states that Reid Village had revenues of \$449,201. The projected annual revenues for 2015 through 2019 represents an approximately 30% increase from 2014 actual revenues. Provide a detailed explanation of the projected increase in revenues.

11. State whether Reid Village anticipates filing an application for adjustment of rates if it issues the proposed evidence of indebtedness in the amount of \$401,625.

12. If Reid Village anticipates filing an application for adjustment of rates in the event it issues the proposed evidence of indebtedness, provide any calculations of the amount of rate adjustment Reid Village anticipates it will seek.

13. Refer to the Application, Exhibit G. In the calculation of the Debt Coverage Ratio, it appears that depreciation has been excluded from the calculation. Explain why this is an appropriate method to calculate Reid Village's Debt Coverage Ratio.

14. Refer to the Application, Exhibit E, Attachment A, page 4. It is stated that projections were based on an assumption that purchased water and operating expenses will increase 2 percent per year for inflation.

a. Provide any studies or analyses that were conducted or referenced in order to make this determination.

b. Provide any historical data that supports this assumption.

15. Refer to the Application, Exhibit G. The Financial Summary on this page presents the audited information for the years 2012, 2013, and 2014. Provide the audited financial information for the calendar year 2015. If audited financial statements are not available, provide the financial data in its unaudited form.



James W. Gardner  
Acting Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED APR 01 2016

cc: Parties of Record

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