

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF THE)	
OPERATING CAPACITY OF MARTIN COUNTY)	CASE NO.
WATER DISTRICT PURSUANT TO KRS)	2016-00142
278.280		

COMMISSION STAFF'S SEVENTH REQUEST FOR
INFORMATION TO MARTIN COUNTY WATER DISTRICT

Martin County Water District (Martin District), pursuant to 807 KAR 5:001, is to file with the Commission the original and an electronic version of the following information. The information requested herein is due on or before January 4, 2019. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

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.

Martin District shall make timely amendments to any prior response if they obtain 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 Martin District fails or refuses to furnish all or part of the requested information, they 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 company operations and jurisdictional operations. When filing a paper containing personal information, Martin 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. Provide documentation of any request made by Martin District between January 1, 2017, and January 1, 2018, to the Martin County Attorney or Commonwealth Attorney for the 24th Judicial District for the prosecution of any person for theft of water.
2. Provide documentation of any request made by Martin District between January 1, 2018, and the date of this request for information to the Martin County Attorney or Commonwealth Attorney for the 24th Judicial District for the prosecution of any person for theft of water.
3. Provide documentation of all actions that Martin District has taken to collect overdue debts for water service provided from January 1, 2018, to the date of this request for information.

4. Refer to the response to Staff's Post Hearing Request for Information dated August 31, 2018 (Staff's Post Hearing Request), Item 4, Exhibit 3, Attachments 1 and 2. Attachment 1 details each leak adjustment made for the May 2018 billing period. Attachment 2 contains leak adjustments provisions contained in Martin District's tariff on file with the Commission.

a. Commission Staff has been unable to calculate how the leak adjustment rate of \$2.00 per 1,000 gallons for all remaining usage above the average monthly usage as shown in Attachment 2 has been applied in each billing adjustment in Attachment 1. Provide the average monthly usage for each billing adjustment listed in Attachment 1 and provide an explanation of why the amount credited per 1,000 gallons would be different for each billing adjustment (ex. customer 627088 for fixed leak in yard was credited \$6.10 per 1,000 gallons whereas customer 534531 was credited \$4.98 and \$5.06 per 1,000 gallons, respectively).

b. State whether Martin District's tariff Sheet No. 34, Section W, permits Martin District to adjust late charges when making a leak adjustment.

5. Refer to the response to Staff's Post Hearing Request, Item 7, Exhibit 6.

a. Confirm that the security deposit reimbursements for the closed/delinquent accounts were made to another of Martin District's bank accounts other than the account for customer deposits. If this is confirmed, provide a list of Martin District's bank accounts and state which account the security deposit reimbursements were made to. If this cannot be confirmed, explain in detail to whom these reimbursements were made to and why.

b. Explain why the transaction is divided into three separate transactions on the same day, rather than alternatively making a single transaction or dividing it into a single transaction for each account.

c. Explain why there are multiple debits in the amount of \$45.00 on the first page for the same account number (ex. Line Description: 6-00685, 6-00596, and 6-00694 were all debited twice to check number 1131).

6. Refer to the response to Staff's Post Hearing Request, Item 10.

a. Explain why the response does not provide specific dates or hourly totals by day for each of the three identified individuals.

b. The hours worked by the three individuals are in excess of a 168-hour week, which implies that there were multiple contractors watching the pumps simultaneously. Provide a detailed explanation as to why two contractors were required to watch the pumps at the same time.

c. The invoices for James McCoy, John Jude, and Avery Lowe appear to be created by the same software program and do not appear to be signed by the contractor. State whether these invoices were submitted to Martin District by the individual contractors.

d. Provide copies of the cancelled checks that correspond to the invoices provided in the response for the following:

13768	05/11/18	Johnny Jude	\$ 500
13810	05/25/18	Johnny Jude	\$1,260
13811	05/25/18	James McCoy	\$ 760
13825	06/01/18	Jonny Jude	\$ 840
13826	06/01/18	James McCoy	\$ 840
13895	06/22/18	James McCoy	\$1,680
13896	06/22/18	Johnny Jude	\$1,680

13912	06/29/18	Johnny Jude	\$1,680
13913	06/29/18	James McCoy	\$1,680
13960	07/19/18	James McCoy	\$1,165
13962	07/19/18	Johnny Jude	\$1,040
13963	07/19/18	Avery Lowe	\$ 160
13967	07/25/18	James McCoy	\$1,920
13968	07/25/18	Johnny Jude	\$1,440
14020	08/31/18	Johnny Jude	\$ 600

e. The response states that the wet well pumps at the raw water intake were not protected by safety shutoffs and that this was the reason for employing three outside contractors to watch the pumps.

i. Explain whether this is a new condition, state how long the lack of safety shutoffs has existed, and explain why this now requires an around-the-clock watch.

ii. Explain why employing three contractors to watch the pumps was a better solution than paying for expedited delivery of the safety shutoffs or another corrective course of action.

iii. Provide the date the safety shutoffs were ordered.

iv. State the lead time that was quoted to Martin District when the safety shutoffs were ordered.

v. State the date the safety shutoffs arrived and the date they were installed. If the safety shutoffs were installed after the failure of the two pumps, explain whether installing the safety shutoffs prior to the failure of the pumps would have prevented the pumps from failing.

vi. Provide the cause of the failure of the two pumps and the date(s) that they failed.

f. On the invoices in Martin District's response, there were four miscellaneous liability deductions for \$671 each made from payments to contractor James McCoy. Explain why these deductions were made.

g. State whether Martin District will be issuing an IRS Form 1099-MISC at the end of the calendar year 2018 for the two contractors whose payment for services exceed \$600.

h. Confirm that Martin District is requiring all contractors that provide hourly services to include dates and times of services rendered on their future invoices. Provide a copy of the written procedure to support this policy.

7. Refer to the response to Staff's Post Hearing Request, Item 16, Exhibit 11. The column labeled "Vendor Name" lists a number of vendors with the vendors' names cut off. Provide this information with the Vendor Names completely visible and legible.

8. Refer to the response to Staff's Post Hearing Request, Item 18, Exhibit 13.

a. Provide the current outstanding balance owed to BlueWater Kentucky.

b. Explain why BlueWater Kentucky would invoice \$2,500, per paragraph 2 of the payment schedule, when it appears that \$1,500 of the invoice amount has already been invoiced to Martin District and is past due.

9. Refer to the response to Staff's Post Hearing Request, Item 20, Exhibit 15, which contains a schedule of the cost to produce 1,000 gallons of water at the treatment plant.

a. Explain how depreciation expense was determined.

b. For categories involving salaries and wages and employee benefits, explain which type of employees were utilized in the calculation and if a percentage of employee salaries was allocated from a total, provide the allocation percentage.

c. Explain what "TO," "AG," and "SO" represent.

10. Provide a list of current vehicles owned by Martin District, with the corresponding unit number, make, age, current mileage and status for each vehicle.

11. Provide the Martin County Water fuel log for each month from July 2018 through the last complete month prior to this data request.



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Executive Director
Public Service Commission
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DATED DEC 04 2018

cc: Parties of Record

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