

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LAUREL COUNTY WATER)	
DISTRICT #2 FOR THE ISSUANCE OF A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY TO CONSTRUCT A WATER SYSTEM)	CASE NO.
IMPROVEMENTS PROJECT AND AN ORDER)	2019-00221
AUTHORIZING THE ISSUANCE OF SECURITIES)	
PURSUANT TO THE PROVISIONS OF KRS)	
278.020, KRS 278.300, AND 807 KAR 5:001)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO LAUREL
COUNTY WATER DISTRICT #2

Laurel County Water District #2 (Laurel District #2), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies in paper medium of the following information, with a copy to all parties of record. The information requested herein is due within ten days of the date of this request. Responses to requests for information in paper medium 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 the 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.

Laurel District #2 shall make timely amendment to any prior response if Laurel District #2 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 Laurel District #2 fails or refuses to furnish all or part of the requested information, Laurel District #2 shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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, Laurel District #2 shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Please refer to the application, Tab C, Kentucky Infrastructure Authority (KIA) Conditional Commitment Letter dated November 15, 2018, which states that “[t]he total cost of the project shall not exceed \$1,775,000 of which the Authority loan shall provide \$445,000 of the funding.” Also, refer to the application, Tab D, Final Project Budget, which states that the Total Projected Cost of the project is \$2,150,000.

a. Provide a detailed reconciliation of the projected budget and KIA’s commitment letter.

b. Explain whether the additional \$300,000 in the projected budget violates the terms of KIA’s commitment letter.

2. Refer to the application, Tab C, Laurel District #2 Project Review, Paragraph VI Rate Structure. Explain the discrepancy between the current rates listed in Tab C, which contains rates not differentiated by meter size and Laurel District #2's tariff, which contains rates differentiated by meter size.

3. Refer to the application, Tab C, Laurel District #2 Project Review, Rate Structure, which references a "Pending Proposed" rate structure. Also, reference Tab C, Project Review, Financial Analysis, which references a 25 percent increase in revenues by 2020 "based on the proposed rate increase pending PSC approval." Laurel District #2 did not request a rate adjustment in this proceeding and does not have a pending rate case. Explain why a proposed rate increase was referenced in this exhibit and if Laurel District #2 intends to file a rate case. If Laurel District #2 does intend to file a rate case, provide the expected filing date.

4. Explain whether current revenues are sufficient to service the additional loan.



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Executive Director
Public Service Commission
P.O. Box 615
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DATED **AUG 01 2019**

cc: Parties of Record

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