

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF PENDLETON)	
COUNTY WATER DISTRICT OF AN)	CASE NO.
AMENDMENT TO A SPECIAL CONTRACT)	2020-00158
WITH THE CITY OF BUTLER)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO PENDLETON COUNTY WATER DISTRICT

Pendleton County Water District (Pendleton District), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due within 14 days of this request. Pursuant to the Commission's Orders in Case No. 2020-00085,¹ issued March 16, 2020, and March 24, 2020, Pendleton District SHALL NOT FILE the original paper copy of all requested information at this time, but rather shall file original paper copies within 30 days of the lifting of the current state of emergency. All responses 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 the person supervising the preparation of the response on behalf of the entity

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Pendleton District 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 Pendleton District fails or refuses to furnish all or part of the requested information, Pendleton 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 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, Pendleton 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 the table Pendleton District filed with its "Amendment to Water Purchase Contract" indicating the rates in the proposed contract would result in an annual decrease in the City of Butler's bill in the amount of \$10,753.60.

a. Explain in detail how Pendleton District plans to make up for the lost revenue that will result from the rates in the proposed contract with the City of Butler.

b. Explain whether the retail customers will be expected to subsidize the revenue shortfall caused by the proposed contract.

c. If Pendleton District does not expect to make up for the lost revenue that will result from the rates in the proposed contract with the City of Butler, explain how it will meet its expenses, including its depreciation expense.

2. Refer to Pendleton District's response to the Request for Information attached as an Appendix to the Commission's May 26, 2020 Order, Item 2, in which Pendleton District stated that "[it] contends that the proposed rate will not cover its cost associated with serving Butler" and that "[it] feels that since Butler has reduced water consumption significantly that the rate reduction is justified."

a. Explain why Pendleton District contends that the proposed rate will not cover its cost associated with serving Butler, and provide all studies and calculations, if any, that Pendleton District used or performed to arrive at this conclusion.

b. Explain why it would be reasonable for the City of Butler to pay a rate that will not cover the costs incurred by Pendleton District to serve the City of Butler.

c. State whether Pendleton District has ever obtained a cost of service study that addresses the costs to serve the City of Butler and, if so, provide a copy of any such study.

3. Explain whether the City of Butler has interconnections with any other wholesale water suppliers from which it would be able to obtain wholesale water necessary to serve its customers if it did not obtain it from Pendleton District.

4. Explain whether the City of Butler has the ability to produce its own water.

5. State whether Pendleton District contends that there has been a material decrease in its total expenses since the order was issued in Case No. 2019-00310,² and

² Case No. 2019-00310, *Application of Pendleton County Water District for an Alternative Rate Adjustment*, Order (Ky. PSC Mar. 10, 2020).

if so, explain each basis for Pendleton District's response.

6. Provide a spreadsheet identifying all persons or entities to which Pendleton District provided wholesale water service in any of the last 24 months, providing the monthly water usage for each such person or entity for each of the past 24 months, and providing the amount Pendleton District charged each such person or entity for each of the past 24 months.

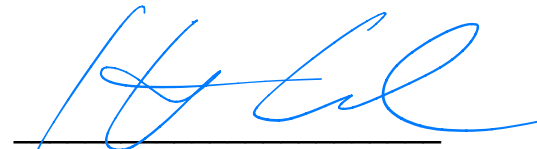
7. For each of the 12 months from July 2019 through June 2020, provide the rate charged by any supplier from which Pendleton District purchased water, the total gallons purchased from each such supplier in each month, and the total cost of water purchased from each supplier in each month.

8. Complete the table below by providing the total miles of water main of each size in Pendleton District's system as a whole and the miles of main of each size in Pendleton District's system that are used to serve the City of Butler:

Water Main Size	Miles of Main (Total System)	Miles of Main (Used to Serve City of Butler)
16"		
14"		
12"		
10"		
8"		
6"		
4"		
2"		

9. Complete the table below:

Pendleton	Gallons for 12 Month Period Ending June 30, 2020
Plant Use	
Line Loss (Unaccounted for)	
Sales to Retail	
Sales to the City of Butler	
Sales to Other Wholesale Customers	
Total Produced and Purchased	
Total Sold	



Kent A. Chandler
Acting Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED AUG 26 2020

cc: Parties of Record

Case No. 2020-00158

*Pendleton County Water District
331 Highway 330 W
P. O. Box 232
Falmouth, KY 41040

*Ricky King
Pendleton County Water District
P. O. Box 232
Falmouth, KY 41040