

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF BIG SANDY)	
WATER DISTRICT FOR AN ADJUSTMENT)	CASE NO.
OF ITS WATER RATES PURSUANT TO 807)	2022-00044
KAR 5:076)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO BIG SANDY WATER DISTRICT

Big Sandy Water District (Big Sandy District), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on June 8, 2022. The Commission directs Big Sandy District 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.

Big Sandy District shall make timely amendment to any prior response if Big Sandy District obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Big Sandy District fails or refuses to furnish all or part of the requested information, Big Sandy 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, Big Sandy 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 copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible:

- a. The general ledger for the calendar year 2022 to date.
- b. The trial balance for the calendar year 2022 to date.
- c. General Liability Certificates of Insurance showing coverage levels and total premiums for 2021 and the current period.

d. A description of all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years.

e. Provide list of late payment penalties for years 2017, 2018, 2019, 2020, 2021, and year to date 2022.

2. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar years ended 2020 and 2021 in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

3. Refer to Application, Exhibit C, Attachment SAO-W, Statement of Adjusted Operations, References, Adjustment J, Materials and Supplies. Provide a list of the entries in general ledger accounts 00620-000, 00620-001, and 00620-002 that are included in the adjustment of \$99,142.40.

4. Refer to Application, Exhibit D, Attachment RR-DC, Revenue Requirement Calculation – Debt Coverage Method. One of the notes references McCreary County Water District. Confirm that it should reference Big Sandy District.

5. Refer to Application, Exhibit I, Debt Service Requirements. Confirm that the principal payments for “KRWFC 2013” are excluded from Total Principal and Cash Payments for each year.

6. Refer to Application, Exhibit O-1.

a. Provide supporting documentation for year-end adjustment #4 to account 00610-0000, Purchased Water, for \$108,351.00 that was posted on August 4, 2021.

b. Provide copies of invoices for payments to Sisler-Maggard Engineering for check numbers 22410, 22459, 22505, 22562, 2878, 2886, 2887, and 2890 totaling \$79,398.92 that were charged to account 00631-0000, Contractual Services Engineering. State whether each payment is for a singular activity or a component of a larger project.

c. Provide copies of invoices for payments to Stoll Keenon Ogden PLC for check numbers 22534, 22550, 26679, 22756, 22811, and 22865 that were charged to account 00633-0000, Contractual Services Legal. State whether each payment is for a singular activity or a component of a larger project.

d. State what services were provided by "Roger W Hall" for which 12 payments of \$500 each were charged to account 00633-0000. Provide any invoices or supporting records that indicate the services provided.

e. Provide copies of invoices for payment to United Systems & Software for check number 22543 for \$5,595 that was charged to account 00636-0000. State whether the payment is for a singular activity or a component of a larger project.

f. Provide copies of invoices for payments to Neptune Equipment Company for check numbers 22558 for \$5,272 and 22993 for \$12,630.18 that were charged to account 00636-0000. State whether each payment is for a singular activity or a component of a larger project.

g. Provide copies of invoices for payments to Micro-Comm for check numbers 22603 in the amount of \$9,575 and 2885 in the amount of \$10,332.40 that were charged to account 00636-0000. State whether each payment is for a singular activity or a component of a larger project.

h. Provide copies of invoices for payment to Kirkland for check number 2880 for \$1,960 that was charged to account 00636-0000. State whether payment is for a singular activity or a component of a larger project.

i. Provide supporting documentation for year-end credit adjustment #9 to account 00620-0001, Materials & Supplies, for \$105,276 that was posted on August 4, 2021.

7. State the last time Big Sandy District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

a. Explain whether Big Sandy District considered filing a COSS with the current rate application and the reasoning for not filing one.

b. Explain whether any material changes to Big Sandy District's system would cause a new COSS to be prepared since the last time it has completed one.

c. If there have been no material changes to Big Sandy District's system, explain when Big Sandy District anticipates completing a new COSS.

d. Provide a copy of the most recent COSS that has been performed for Big Sandy District's system in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

8. Provide the number of new tap-ons installed by meter size for the calendar year 2021.

9. Refer to Application, Exhibit 1, Rate Calculation Workbook, Billing Analysis.

a. Big Sandy District failed to provide the Wholesale Customers in this portion of the Workbook. Provide this information in the Billing Analysis format for the Wholesale Customers of Big Sandy District.

b. Confirm that the 4-inch meter's Usage Table and the Revenue Table are correctly reflected in the tables below.

	USAGE	BILLS	GALLONS	FIRST 200,000	NEXT 200,000
FIRST	200,000	29	3,104,400	3,104,400	
NEXT	200,000	19	22,939,200	3,800,000	19,139,200
		48	26,043,600	6,904,400	19,139,200

REVENUE BY RATE INCREMENT

		BILLS	GALLONS	RATE	REVENUE
FIRST	200,000	48	6,904,400	\$1,197.85	\$57,496.80
NEXT	200,000		19,139,200	5.70	109,093.44
TOTAL		48	26,043,600		\$166,590.24

c. If this is not the correct representation of the 4-inch usage and revenue, explain why this is not the proper calculation.

d. Provide any calculations that provide the appropriate usage and revenue calculations as provided by the examples of the ARF Billing Analysis example.

10. Provide updated cost justification sheets for all nonrecurring charges listed in Big Sandy District's tariff.

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

DATED MAY 17 2022

cc: Parties of Record

*Big Sandy Water District
18200 Kentucky Route #3
Catlettsburg, KY 41129

*Jessica Sexton
Big Sandy Water District
18200 Kentucky Route #3
Catlettsburg, KY 41129

*Gerald E Wuetcher
Attorney at Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801