

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF OHIO COUNTY)	
WATER DISTRICT FOR A CERTIFICATE OF)	CASE NO.
PUBLIC CONVENIENCE AND NECESSITY)	2023-00192
PURSUANT TO KRS 278.020 AND 807 KAR)	
5:001)	

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

Ohio County Water District (Ohio District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on July 19, 2023. The Commission directs Ohio 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.

Ohio District shall make timely amendment to any prior response if Ohio District obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Ohio District fails or refuses to furnish all or part of the requested information, Ohio 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 and scanned 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, Ohio 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 Application, page 8, indicating that the alternative to the proposed project was estimated to cost \$4,630,000 as of April 2021.
 - a. Explain how the estimate for that alternative was determined.
 - b. Provide an itemized breakdown of the April 2021 estimate for the alternative project.

c. Explain whether the total cost of the alternative project would include additional amounts, such as engineering costs, not included the \$4,630,000 estimate, and if so, provide an itemized estimate of those amounts.

d. State whether Ohio District has an updated estimate for that alternative project, and if so, provide an itemized breakdown of the updated estimate, including engineering and other costs that would be outside of any bid, and explain how the updated estimate was determined.

2. Refer to the Application, page 11, indicating that bids for the proposed project were significantly higher than the April 2021 estimate of \$2,125,000.

a. Explain why the bids were so much higher than the estimate.

b. Explain how the estimate for the proposed project was determined.

3. Refer to the Application, page 12 and Exhibit 13 indicating that the chosen bid is \$5,132,000. Refer also to the Application, page 1 indicating that the estimated cost of the proposed project is \$5,943,600.

a. Explain the difference between the bid price and the total estimated cost of the project.

b. Provided an itemized breakdown of those portions of the total estimated cost of the proposed project that are not included in the bid price, and explain how each item was estimated.

c. Provide any engineering or other costs that have been incurred to date that Ohio District expects to be included in the total project cost.

4. Provide the estimated useful life of the proposed project by plant account, and explain how those useful lives were estimated.

5. Provide the estimated useful life of the alternative project by plant account, and explain how those useful lives were estimated.

6. Explain any differences between the useful lives and remaining useful lives of the proposed project and the alternative project.

7. Provide the estimated annual depreciation expense impact of the proposed project and the alternative project, and provide an Excel spreadsheet, with all formulas, columns, and rows unprotected and fully accessible, showing the calculation of the depreciation expense for both projects.

8. Identify the interest rates Ohio District expects to receive when it issues long term debt for the proposed project, and explain whether Ohio District expects that the rates will be higher than it would receive if it issued the debt now.

9. Provide an itemized breakdown of any incremental change (increase or decrease) in annual operating and maintenance (O&M) expense expected to arise from the alternative project as compared to the proposed project, and explain how the O&M expense for each project was estimated.

10. Explain why the alternative project, with an original estimated cost of \$4,630,000, would not be more cost effective than the proposed project. Include in the analysis an explanation of the effects of any change in the estimated cost of the alternative, the expected annual financing costs and depreciation expense for both projects, the expected O&M expenses for both projects, and any other relevant cost driver.

11. State whether Ohio District anticipates seeking a rate increase when seeking authorization from the Commission for long term debt in a future case relating to this project.

12. If there is an anticipated rate increase, state what the anticipated rate increase would be assuming the federal grant is not awarded to Ohio District.

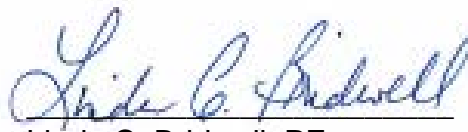
13. Provide the estimated cost savings of issuing the short term debt versus issuing the long term bonds at this time.

14. Provide any agreements, letters of intent, or other documents indicating the terms and conditions of short term debt Ohio District expects to use to fund the proposed project.

15. State whether there is any situation in which Ohio District would be required to repay all or a portion of either grant.

16. Provide the criteria that Ohio District used in reviewing and selecting the bid from Garney.

17. If a bid extension has been granted, provide the new date of expiration.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
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DATED JUL 05 2023

cc: Parties of Record

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