

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 278.280)	2016-00142

COMMISSION STAFF'S EIGHTH 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 February 11, 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. Refer to Martin District's response to the Commission's Post-Hearing Request for Information dated August 31, 2018, (Martin District's October 19 Response), 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 the depreciation expense was determined. If this information was previously provided by Linda Sumpter and she is unable or continues to be unwilling to provide a response to Martin District's requests, advise the Commission of dates, the formal process Martin District undertook to obtain the information, and provide copies all correspondence between Martin District and Ms. Sumpter related to same.

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. If this information was previously provided by Linda Sumpter and she is unable or continues to be unwilling to provide a response to Martin District's requests, advise the Commission of dates, the formal process Martin District undertook to obtain the information, and provide copies all correspondence between Martin District and Ms. Sumpter related to same.

2. Refer to Martin District's response to Commission Staff's Seventh Request for Information filed January 4, 2019, (Martin District's January 4 Response), Items 1 and 2, Exhibit 1.

a. State whether Martin District provided the information shown in this Exhibit, or any other information of this type, to the Martin County Attorney or Commonwealth Attorney for the 24th Judicial District for the prosecution of any person for theft of water.

b. If the response to Item 2.a. above is confirmed, state to which office Martin District provided the information, whether any action was taken on behalf of Martin District to prosecute any person for theft of water, and provide copies of the documentation and correspondence related to the prosecution.

3. Refer to Martin District's January 4 response, Item 3, Exhibit 2.

a. Provide a copy of a sample disconnect notice/letter that Martin District uses to advise customers of a pending disconnection.

b. On the schedule labeled "Service Orders Dated Between 1/1/2018 and 11/30/2018," there are entries for November 21, 2018, and November 27, 2018, that indicate they are not complete. Confirm this means that the meter has not been removed, and if this can be confirmed, explain the circumstances in each instance where the meter has not been removed.

c. On the schedule labeled "Pending Disconnects Includes All Accounts Past Due Over 30 Days, Over 60 Days, or Over 90 Days," (Pending Disconnect Schedule) there are a number of entries that have past-due balances over 90 days.

(1) Confirm that the customers on this schedule have not yet had service disconnected and that only a notice was issued to disconnect service. If this can be confirmed, explain the circumstances for which a customer can become past due more than 60 days and still have a pending disconnect, or a disconnect notice issued, but not yet be disconnected.

c. Provide a list, by month, of the times that the Martin County Sanitation District has appeared on the Pending Disconnect Schedule, the current balance owed by the Sanitation District, and whether the Sanitation District is currently past due on payment.

d. Provide a list, by month, of the times that the Martin County Fiscal Court has appeared on the Pending Disconnect Schedule, the current balance owed by the Fiscal Court, and whether the Fiscal Court is currently past due on payment.

4. Refer to Martin District's January 4 Response, Item 4, Exhibit 3.

a. Explain the circumstances that the Leak Adjustment Worksheet would require two rows for the first 2,000 gallons and two rows for anything after 2,000 gallons to perform the calculation.

b. Confirm the Leak Adjustment Worksheet is completed in electronic format in Microsoft Excel before it is printed. If this can be confirmed, provide a copy of the leak adjustment worksheet in Microsoft Excel format with all rows unprotected and all formulas intact. If this calculation is not being performed in Microsoft Excel, explain what software is being used to generate the Leak Adjustment Worksheet.

5. Refer to Martin District's January 4 Response, Item 9.

a. Provide the reason why Linda Sumpter's office is no longer associated with Martin District and the date the termination of the contract was effective. Provide the name of the person who is now responsible for performing Martin District's accounting functions and whether they are an employee of Martin District or contract labor.

6. Refer to Martin District's Notice of Filing Information in Compliance with Order of March 16, 2018 – Monthly Requirements – Due January 15, 2019 (Martin District's January 15 Filing) filed in Case No. 2018-00017, Exhibit 1.

a. For each item on this exhibit, provide the date of the original bill that was issued to the customer.

b. State whether any customers with accounts that were written off in this exhibit have had service reestablished at the same or another address within the Martin District.

c. The exhibit does not appear to have any accounts written off for past due accounts in 2017 or 2018. Explain Martin District's position regarding past-due accounts that are less than two years old, and whether Martin District deems all of these accounts collectible or not, and the reason why.

7. Refer to Martin District's January 15 Filing, Exhibit 2. Provide an Income Statement for both the month and annual periods ending December 2018, and a Balance Sheet for the period ending December 31, 2018.

8. Refer to Martin District's January 15 Filing, Exhibit 3. Provide an itemized list of payments made out of the Debt Service Surcharge account, with vendor name, the date the check was issued, amount of check, and whether the check has cleared.

9. Confirm that Martin District has not had a completed Audit Report from its independent auditor since 2007. Provide the estimated cost to complete Martin District's 2016 Audit Report and state when Martin District expects this to be completed.

10. Refer to Martin District's Response to Commission Staff's Post-Hearing Request for Information filed on October 19, 2018 (Martin District's October 19 Response), Item 3.

a. State whether Martin District has changed to a comprehensive fleet fuel management system as stated in the response.

b. If yes, provide the name of the system and a detailed description of the new fuel procurement process.

c. If no, state the reasons that Martin District has not changed to a comprehensive fleet fuel management system.

11. Refer to Martin District's October 19 Response, Exhibit 2, Martin County Water District Fuel Procedures.

- a. State whether there have been any revisions to this policy.
- b. If yes, provide the revised policy and a detailed explanation for the revision.

12. Refer to Martin District's January 4 Response, Exhibit 9.

- a. Confirm that Unit 3 identified on the schedule is the same vehicle identified as Unit 5 in Martin District's Response to Commission Staff's Post-Hearing Request for Information, filed June 22, 2018, Exhibit 8 (Martin District's June 22 Response).

- b. Provide an explanation as to how Martin District acquired the remaining vehicles on the schedule that were not previously identified in Martin District's June 22 Response and advise if these vehicles are now included on the asset ledger.

13. Refer to Martin District's January 4 Response, Exhibit 10. The Water Fuel Log contains inconsistencies and information is absent. Provide an explanation of Martin District's efforts to eliminate these errors.

14. Refer to Martin District's October 19 Response, Item 10.b. The three individuals that submitted invoices for services all included the reference "watching pump at raw water" or "work at raw water". James McCoy's invoice for the June 25–July 1 seven-day period was for 116.5 hours; John Jude's invoice for the same seven-day period was for 104.0 hours, and Avery Lowe's invoice for June 30 and July 1—two days that were in the same seven-day period as McCoy and Jude—was for 16 hours. The total is 236.5 hours during a period that the maximum possible is 168.5, or an additional 68 hours.

Provide an explanation how this is possible given that there was only one individual watching the pumps at any given time and the invoices submitted all reference services for watching or working at raw water and not any other type of maintenance or service.

15. Refer to Martin District's January 4 Response, Item 6.c.
 - a. Identify if the individual contractors submit signed invoices to Raymond Jude.
 - b. Explain if Raymond Jude verifies the services provided and submits them to accounting for payment.

16. Refer to Martin District's January 4 Response, Item 6.e.i. and 6.e.ii. Martin District states in 6.e.i. that once the control box was determined to be burnt up proper vendors were called in to test and order parts and when the parts came in they were installed, but the response in 6.e.ii. references troubleshooting the wet well and it being a time-consuming matter that could have resulted in the reservoir running dry as a reason for not expediting delivery of the repair parts. Confirm whether Martin District considered expediting production and delivery of the replacement parts instead of hiring the three contractors at a cost of approximately \$20,000.

17. Refer to Martin District's January 4 Response, Item 6.e.v. Martin District provided previous testimony that the two pumps that failed had recently been rebuilt. Given the short period the rebuilt pumps were in service, explain whether the failures caused by the pump housing and vibrating bolts were reviewed with the vendor who previously rebuilt them for a possible claim or refund.



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DATED JAN 22 2019

cc: Parties of Record

Case No. 2016-00142

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