

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF SANDY HOOK WATER )  
DISTRICT FOR RATE ADJUSTMENT ) CASE NO. 2016-00265  
PURSUANT TO 807 KAR 5:076 )

**ATTORNEY GENERAL'S INITIAL DATA REQUESTS**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Data Requests for Information to Sandy Hook Water District ("Sandy Hook") to be answered within twenty-one (21) days of service as required by 807 KAR 5:076(10)(c), and in accord with the following instructions:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness(es) who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Joint Applicants with an electronic version of these data requests, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and

caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL

  
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*Certificate of Service and Filing*

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Talina Mathews, Acting Executive Directors, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail to:

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Sandy Hook Water District  
1000 Howard's Creek Road  
P. O. Box 726  
Sandy Hook, KY 41171

this 9<sup>th</sup> day of August 2016.

  
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Assistant Attorney General

Attorney General's Initial Request For Information  
Application of Sandy Hook Water District  
For Rate Adjustment Pursuant to 807 KAR 5:076

1. Refer to the Application, Customer Notice of Proposed Rate Adjustment.
  - a. Did Sandy Hook perform a cost of service study within the past two (2) years?
  - b. If no cost of service study was performed, provide justification for the manner in which the Percent Increase was calculated for each customer class. Provide any work papers in their native formats (i.e. Microsoft Word, Excel) with any cells accessible.
  - c. Provide any Board resolutions or meeting minutes concerning current or proposed rates during the past year.
2. Refer to the Application, Schedule of Adjusted Operations.
  - a. Provide a breakdown of "Salaries and Wages-Employees". This should include:
    - i. The number of employees has remained since 2014
    - ii. Employee salaries for the past five (5) years
    - iii. All Board resolutions or meeting minutes approving or discussing salary increases
  - b. Provide a complete breakdown of "Employee Pensions and Benefits." Include any increased pension costs by year and by category over the past two (2) years.
  - c. Provide a breakdown of "Insurance," including the total dollar amount that Sandy Hook pays in premiums per month for each and every employee for health, dental, vision, disability, and life insurance plans. Also, provide a detailed breakdown that accounts for the dollar amount that the employee must pay versus what Sandy Hook pays for each of the above referenced plans per month.
  - d. Provide a breakdown of "Miscellaneous Service Revenues."
  - e. Provide a breakdown of "Miscellaneous Expenses."
3. Provide Sandy Hook's water loss ratio for the test year and the year ending 2014.
4. Provide documentation of all legal or accounting fees for the past two (2) years.
5. Refer to the Application, Statement of Related Party Transactions.
  - a. Explain General Manager Trina Sartaine's ownership interest in Elliot Co. Sanitation, Inc.
  - b. Did Sandy Hook obtain bids from other companies for the contracts awarded to Elliot Co. Sanitation, Inc.? If so, provide all bidding documentation. If not, explain in complete detail why not.
  - c. Provide all copies of all contracts and agreements between Sandy Hook and Elliot Co. Sanitation, Inc. If no written contracts or agreements exist, provide a complete explanation as to why.
  - d. Provide documentation of any and all payments made to Elliot Co. Sanitation or Trina Sartaine in connection with Elliot Co. Sanitation, Inc. since the beginning of 2014.
6. Provide a narrative explanation of any attempts by Sandy Hook to refinance any outstanding bonds within the past five (5) years. If no such attempts have been made, explain in full why not.

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7. Provide documentation stating Sandy Hook's debt coverage requirement.
8. Refer to the Application, "Summary of Depreciation."
  - a. Provide the ranges used to calculate life of assets.
  - b. Confirm that the useful life used for Transmission & Distribution by Sandy Hook is fifty (50) years. Considering the NARUC recommended range of fifty to seventy-five (50-75) years for Transmission and Distribution Mains, provide a complete narrative as to why Sandy Hook chose to use fifty (50) years as the useful life. Include all supporting documents used in these calculations.
9. Provide documentation of any notes payable of which Sandy Hook is in possession.
10. Provide an accounting of donated capital for the past two (2) years.
11. Refer to the Sandy Hook 2013 and 2014 Annual Reports.
  - a. Provide a full narrative explanation of the activities which led to the significant increase in revenue from year-end 2013 to year-end 2014 as indicated by the 2013 Annual Report.
  - b. Provide a full narrative explanation of the activities which led to an increase in non-utility income between year-end 2013 and year-end 2014, but a decrease between year-end 2014 and year-end 2015 as reflected in the 2013 and 2014 Annual Reports.