

RECEIVED

JAN 12 2017

Public Service
Commission

STRATTON LAW FIRM, P.S.C.

POST OFFICE BOX 1530
PIKEVILLE, KENTUCKY 41502
TELEPHONE: (606) 437-7800
FACSIMILE: (606) 437-7569

DAVID C. STRATTON
david@strattonlaw.net

DANIEL P. STRATTON
dan@strattonlaw.net

P. B. STRATTON
(1874-1953)

HENRY D. STRATTON
(1925-1989)

January 9, 2017

Talina Mathews, *Executive Director*
Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602 - 0615

Re: Mountain Water District Case No: 2016-000356

Dear Ms. Mathews:

Please find enclosed the original and ten (10) copies of the Mountain Water District's Supplemental Responses to the AG's First Data Request.

Please let us know if any additional information is required.

Sincerely,
STRATTON LAW FIRM, PSC



Daniel P. Stratton, Esq.
email: dan@strattonlaw.net

DPS/dsm
Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JAN 12 2017

Public Service
Commission

In the Matter of:

APPLICATION OF MOUNTAIN WATER)
DISTRICT FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY)
TO CONSTRUCT AND FINANCE)
PURSUANT TO KRS 278.023)

Case No. 2016-000356

MOUNTAIN WATER DISTRICT'S
SUPPLEMENTAL RESPONSES TO AG'S FIRST DATA REQUEST

SUBMITTED BY:

W. Randall Jones
Rubin & Hays
Kentucky Home Trust Bldg.
450 South Third Street
Louisville, KY 40202-1410
502-569-7525
wrjones@rubinhays.com

and

Daniel P. Stratton
Stratton Law Firm PSC
Post Office Box 1530
Pikeville, Kentucky 41502
Telephone: (606) 437-7800
Facsimile: (606) 437-7569
dan@strattonlaw.net

*Attorneys for Mountain
Water District*

Certification:

I certify that a copy of the supplemental answers to AG's initial data request was delivered to Attorney General, Attn: Angela Goad, Assistant Attorney General, Office of Rate Intervention, Public Service Litigation Branch, 700 Capitol Avenue, Suite 20, Frankfort, KY 40601 on January 9, 2017.



Daniel P. Stratton

CASE : Mountain Water District
CASE NO : 2016-00356
RE : SUPPLEMENTAL RESPONSE
Atty General First Data Request

Q 1. Reference the Application of Mountain Water District for the Issuance of a Certificate of Public Convenience and Necessity to Construct and Finance a System Improvements Project Pursuant to the Provisions of KRS 278.020, KRS 278.300, and 807 KAR 5:001 ("Application"), paragraph 8(iii) to answer the following questions.

- a. Mountain Water asserts that the \$3,472,921 loan being utilized to fund the majority of the improvements project, including the alternatives, will be "secured by and payable from the gross revenues of the District's water and sewer system."
 - i. Provide a breakdown of the allocation of costs for the improvements project between the water and sewer customers.

WITNESS : Roy Sawyer

SUPPLEMENTAL RESPONSE : 1(a)(i)

As previously stated, One hundred percent of the cost for the project will be for sewer services.

The bond guidelines require that Mountain Water District pledge 100% of all revenue to secure this loan.

CASE : Mountain Water District
CASE NO : 2016-00356
RE : SUPPLEMENTAL RESPONSE
Atty General First Data Request

Q 4. Reference Mountain Water's KIA Conditional Commitment Letter filed with the Commission on November 9, 2016 to answer the following questions.

- c. Under the Project Description, Section L, it states that the District rebid the project in August 2016 with modification to the grading and odor control roof which resulted in lower bids.
 - ii. Additionally, since odor control is one of the reasons that Mountain Water contends the project is necessary, explain in full detail why the District modified the odor control roof.

WITNESS : Roy Sawyer

SUPPLEMENTAL RESPONSE : 4(c)(ii)

The two items removed from the original budget in order to reduce cost, have been reinstated with additional funds obtained for the project. Mountain Water District is also working on different odor treatment options to address the issue.

CASE : Mountain Water District
CASE NO : 2016-00356
RE : SUPPLEMENTAL RESPONSE
Atty General First Data Request

Q 5. Reference Mountain Water's Response to the PSC Staffs First Request for Information, SRF Project Cost Summary, filed December 8, 2016, to answer the following questions.

- a) Provide a detailed breakdown by cost component of each of the thirteen (13) Cost Classifications listed on the SRF Project Cost Summary.

WITNESS : Roy Sawyer

SUPPLEMENTAL RESPONSE : 5(a)

The SRF Cost Summary was provided on page 3 of Exhibit "A" in the response submitted on January 4, 2017. The SRF Cost Summary was also provided in the response submitted on December 7, 2016 as Exhibit "A".

