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Michael J. Schmitt  
Chairman

Robert Cicero  
Vice Chairman

Daniel E. Logsdon Jr.  
Commissioner

January 17, 2017

## PARTIES OF RECORD

Re: CASE NO. 2016-00356  
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.

Attached are copies of electronic mail correspondence and a letter regarding Mountain Water District's Supplemental Responses to the Attorney General's First Data Request that are being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the material, please do so within five days of receipt of this letter. If you have any questions, please contact David Spenard, Staff Attorney, at 502-782-2580.

A handwritten signature in blue ink that reads "Talina R. Mathews".

Talina R. Mathews  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DES/ph

Attachments

## Spenard, David E (PSC)

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**From:** Spenard, David E (PSC)  
**Sent:** Thursday, January 12, 2017 10:29 AM  
**To:** Goad, Angela (KYOAG); 'wrjones@rubinhays.com'; 'jnewman@summit-engr.com'; 'rsawyers@mtwater.org'; Dan Stratton Esq. (dan@strattonlaw.net)  
**Cc:** 'JasonL.Green@ky.gov'; Miller, Ariel (PSC)  
**Subject:** KY PSC Case No. 2016-00356

Good morning.

Commission Staff has reviewed Mountain Water District's Supplemental Responses to the Attorney General's First Data Request.

Item 4 of the Attorney General's First Data Request asks:

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.

With regard to Item 4(c)(ii), Mountain Water District provided the following supplemental response.

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.

Staff asks for Mountain Water District to identify the source of the "additional funds." (If the "additional funds" referenced are part of the financing as per the application as originally submitted, then please confirm this fact. If the "additional funds" represent an increase over the amount identified in the original application, then please state the amount of the increase.) Staff also asks for Mountain Water District to clarify whether the reinstated items removed from the original budget were items contained in the

rebid. Finally, Staff asks for Mountain Water District to state whether the modification results in any change in the project cost as identified in the application as originally submitted and whether any other responses by Mountain Water District (to other requests for information) require modification.

Regards,

David Spenard  
Staff Attorney III  
Kentucky Public Service Commission

## Spenard, David E (PSC)

---

**From:** Geneva Coleman <gfcoleman@strattonlaw.net>  
**Sent:** Thursday, January 12, 2017 2:49 PM  
**To:** Spenard, David E (PSC)  
**Cc:** Dan Stratton; dsmullins@strattonlaw.net; rsawyers@mtwater.org; jnewman@summit-engr.com; wrjones@rubinhays.com; Goad, Angela (KYOAG)  
**Subject:** KY PSC CASE NO. 2016-00356 - Mountain Water District  
**Attachments:** 2017-1-12 Letter in Response to Spenards Email Questions for District.pdf

Mr. Spenard:

Pursuant to the instructions of Dan Stratton, please find attached a letter from Mr. Stratton in regard to the above-referenced matter. If you have any questions, please do not hesitate to contact our office. We also kindly ask that you confirm receipt of this email communication. Thank you.

Regards,

*Geneva Coleman*

**Geneva Coleman**  
**Legal Assistant**  
**Stratton Law Firm, P.S.C.**

P.O. Box 1530  
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***Management is doing things right;  
Leadership is doing the right things.***  
**-Peter F. Drucker**

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-Thank you.-

**STRATTON LAW FIRM, P.S.C.**

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January 12, 2017

David E. Spenard  
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Kentucky Public Service Commission  
700 Capital Avenue, Suite 20  
Frankfort, KY 40601  
via email: [davide.spenard@ky.gov](mailto:davide.spenard@ky.gov)

**RE: KY PSC CASE NO. 2016-00356**

Dear David:

In response to your email earlier today, please be advised that Mountain Water District submits the following response to your questions:

**QUESTION No. 1:** Staff asks Mountain Water District to identify the source of the "additional funds".

**ANSWER:** The source is the KIA loan which provides for a 10% increase to the original loan if needed. The additional funds were referenced in the original application to the PSC, dated September 30, 2016. Please reference page 6, paragraph 9 of the original application. The KIA Conditional Commitment letter approving the additional funds was filed with the Commission on November 9, 2016. The additional funds were also referenced in the PSC Order entered December 19, 2016.

**QUESTION No. 2:** Staff also asks for Mountain Water District to clarify whether the reinstated items removed from the original budget were items contained in the rebid.

**ANSWER:** Yes, they were rebid as alternatives. Also, see page 6, paragraph 9 of the original application dated September 30, 2016.

**STRATTON LAW FIRM, P.S.C.**

David Spenard  
Staff Attorney III  
Public Service Commission  
January 12, 2017  
Page 2 of 2

**QUESTION No. 3:** Staff asks for Mountain Water District to state whether the modification results in any change in the project costs as identified in the application as originally submitted.

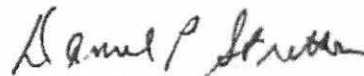
**ANSWER:** No. The original costs included the alternatives that were going to be funded with the extra 10% from KIA.

**QUESTION No. 4:** Staff asks for Mountain Water District to state whether any other responses by Mountain Water District require modification.

**ANSWER:** No. No modification is required to any prior response.

Hopefully, this addresses your concerns. If you have any further questions, please advise.

Sincerely,  
STRATTON LAW FIRM, PSC



Daniel P. Stratton, Esq.

email:

[daniel@strattonlawfirm.net](mailto:daniel@strattonlawfirm.net)

DPS/gfc

cc: Roy Sawyers  
Jonathan Newman  
Randy Jones  
Angela Goad

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