

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION FOR RATE ADJUSTMENT) CASE NO.
OF NEBO WATER DISTRICT) 2016-00435

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 Nebo Water District 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 Dr. Talina Mathews, Executive Director, 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:

Lonnie Neal
Office Manager
Nebo Water District
45 North Bernard Street
Nebo, KY 42441

this 21st day of February 2017.


Assistant Attorney General

Attorney General's Initial Request For Information
Application of Nebo Water District
Case No. 2016-00435
For Rate Adjustment Pursuant to 807 KAR 5:076

1. Refer to the Application, Customer Notice of Proposed Rate Adjustment.
 - a. Did Nebo Water District 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 all work papers in their native formats (i.e. Microsoft Word, Excel) with all cells accessible.
 - c. Provide all Board resolutions or meeting minutes concerning current or proposed rates during the past twelve (12) months.

2. Refer to the Application, Schedule of Adjusted Operations.
 - a. Provide a breakdown of "Salaries and Wages-Employees." This should include:
 - i. All employee salaries for the past five (5) years
 - ii. All Board resolutions or meeting minutes approving or discussing salary increases
 - b. Provide a complete breakdown of "Employee Pensions and Benefits." Include any increased or decreased pension costs by year and by category over the past two (2) years.
 - c. Provide a complete breakdown of "Insurance," including the total dollar amount that Nebo pays in premiums per month for each and every employee or employee's family member 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 Nebo pays for each of the above referenced plans per month.
 - d. Provide a complete breakdown of "Miscellaneous Expenses."

3. Provide Nebo Water District's water loss ratio for the test year and the year ending 2014. If Nebo Water District's water loss ratio exceed 15%, explain why the ratio exceeds 15% and provide any plan the District has adopted to reduce water loss.

4. Provide documentation of all legal or accounting fees for the test year and the year ending 2014.

5. Refer to Tariff Filing TFS2016-00335, Nebo Water District's Formal Application for Tariff Revisions to increase certain Non-recurring Charges, "Average Meter Connection Expense Cost Justification."
 - a. Confirm that Nebo's test year expenses have been adjusted to remove "Installation Labor Expense" as included in the Non-recurring charges for meter connection.
 - b. Confirm that Nebo's test year expenses have been adjusted to remove "Installation Equipment Expense" as included in the Non-recurring charges for meter connection.
 - c. Confirm that Nebo's test year expenses have been adjusted to remove "Installation Miscellaneous Expense" as included in the Non-recurring charges for meter connection.
 - d. Confirm that Nebo's test year expenses have been adjusted to remove "Administrative Expense" as included in the Non-recurring charges for meter connection.
 - e. Confirm that Nebo's test year expenses have been adjusted to remove "Material Expense" as included in the Non-recurring charges for meter connection.

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- f. Confirm that Nebo's test year expenses have been adjusted to remove "Service Pipe Expense" as included in the Non-recurring charges for meter connection.
 - g. If any of the above statements cannot be confirmed, provide in complete detail the reason(s) they cannot.
 - h. Provide the number of connections subject to the non-recurring charges detailed in TFS2016-00335 Nebo Water District performed in the test-year.
6. Refer to Tariff Filing TFS2016-00335, Nebo Water District's Formal Application for Tariff Revisions to increase certain Non-recurring Charges, "Rate Charge for Labor." Nebo calculates the "Total Average Hourly Wage" for an operational worker performing a meter connection to be \$30.17. Confirm that Nebo's test year expenses have been adjusted to remove any labor costs recovered by the Non-recurring charges as calculated in the "Rate Charge for Labor."
7. Provide a narrative explanation of any and all attempts by Nebo Water District to refinance all outstanding bonds within the past five (5) years. If no such attempts have been made, explain in full why not.
8. Provide documentation detailing Nebo Water District's debt coverage requirement.
9. Refer to Nebo Water District's 2015 Annual Report, page 16, wherein the salary for Nebo's Secretary, Gene Turner, is listed as \$6,000. Provide documentation of Fiscal Court approval for this increase and documentation that Mr. Turner completed the required six (6) hours of training for educational year 2015, which corresponds with the test year.