

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALLEGED FAILURE OF FERN LAKE COMPANY )      CASE NO.  
TO FILE REQUIRED REPORTS                    )      2017-00031

NOTICE OF FILING

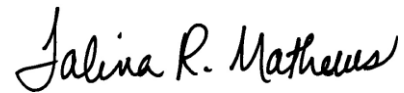
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on March 28, 2017 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on March 28, 2017 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on March 28, 2017.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at [http://www.psc.ky.gov/av\\_Broadcast/2017-00030-31-33-45/2017-30,31,33,45\\_28Mar17\\_Inter.aspx](http://www.psc.ky.gov/av_Broadcast/2017-00030-31-33-45/2017-30,31,33,45_28Mar17_Inter.aspx).

Parties wishing an annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 3<sup>rd</sup> day of April 2017.

A handwritten signature in black ink that reads "Talina R. Mathews". The signature is written in a cursive style with a large initial 'T'.

---

Talina R. Mathews  
Executive Director  
Public Service Commission of Kentucky

Fern Lake Company  
34 Appolo Fuels Road  
Middlesboro, KY 40965

Fern Lake Company  
Fern Lake Company  
34 Appolo Fuels Road  
Middlesboro, KY 40965

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

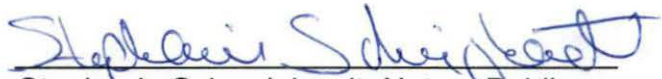
ALLEGED FAILURE OF FERN LAKE COMPANY )  
TO FILE REQUIRED REPORTS ) CASE NO.  
2017-00031  
)

CERTIFICATION

I, Stephanie Schweighardt, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on March 28, 2017. Hearing Log, Exhibits, Exhibit List, and Witness List are included with the recording on March 28, 2017.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of March 28, 2017.
4. The "Exhibit List" attached to this Certificate correctly lists all exhibits introduced at the hearing of March 28, 2017.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of March 28, 2017 and the time at which each occurred.

Signed this 28<sup>th</sup> day of March 2017.



Stephanie Schweighardt, Notary Public  
State at Large  
My Commission Expires: January 14, 2019  
ID#: 525987





# Session Report - Detail

2017-00030, 031, 033, 045

28Mar2017

Center Ridge WD, Fern Lake, Red Barn Waste, Lewis Sanitation

Date:	Type:	Location:	Department:
3/28/2017	Show Cause Hearing	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Dan Logsdon; Michael Schmitt  
 Witness: Jeff Cline  
 Clerk: Stephanie Schweighardt

Event Time	Log Event
9:14:22 AM	Session Started
9:14:24 AM	Session Paused
9:59:16 AM	Session Resumed
9:59:19 AM	Chairman Schmitt Note: Schweighardt, Stephanie
	Introduces Vice Chairman Cicero and Commissioner Logsdon
9:59:49 AM	Chairman Schmitt Note: Schweighardt, Stephanie
	Perlimary remarks
10:00:13 AM	Chairman Schmitt Note: Schweighardt, Stephanie
	Introduces Case #2017-00030 Center Ridge Water District
10:00:39 AM	Chairman Schmitt Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie
	Calls for any one present on behalf of Center Ridge Water District No. 2 No one present on behalf of Center Ridge Water District No. 2.
10:00:48 AM	Chairman Schmitt Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie
	Ask Atty Jeb Pinney with the Public Service Commission, if Center Ridge Water District No. 2 was notified of the proceedings to be held today. Atty Jeb Pinney states yes, properly notified.
10:01:11 AM	Chairman Schmitt Note: Schweighardt, Stephanie
	Proceeds with heaing and reviews charges and violations against Center Ridge Water District No. 2.
10:05:09 AM	Chairman Schmitt Note: Schweighardt, Stephanie
	Ask Atty Jeb Pinney for any testimonies to be submitted.
10:05:49 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie
	Submits Testimony of PSC Witness Jeff Cline and ask for it to be marked as PSC Exhibit #1 Chairman Schmitt allows the testimony to be marked as PSC Exhibit #1.
10:06:18 AM	Chairman Schmitt Note: Schweighardt, Stephanie
	Calls Witness Jeff Cline to the stand and is sworn in
10:06:38 AM	Atty Jeb Pinney direct exam of PSC Witness Jeff Cline Note: Schweighardt, Stephanie
	Ask Witness to state name, business address and current position.

10:06:52 AM	Atty Jeb Pinney direct exam of PSC Witness Jeff Cline Note: Schweighardt, Stephanie	Asking Witness if any changes or corrections to the submitted testimony. Witness has no changes or corrections.
10:07:05 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie	Motion is substanded and filed as PSC Exhibit #1.
10:07:27 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Ask for the submitted testimony be entered into the record as PSC Exhibit #1.
10:07:32 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Ask Vice Chairman and Commissioner for any questions.  No futher questions.
10:07:41 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Excuses Witness from stand
10:08:12 AM	Chairman Schmitt Note: Schweighardt, Stephanie	With no one else present, adjourns hearing for Case #2017-00030.
10:08:20 AM	Chairman Schmitt Note: Schweighardt, Stephanie	<b>Introduces Case #2017-00031 Fern Lake Company</b>
10:08:34 AM	Chairman Schmitt Note: Schweighardt, Stephanie	No one present on behalf of Fern Lake Company.  Calls for any one present on behalf of Fern Lake Company.
10:08:50 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Atty Jeb Pinney states yes, properly notified.  Ask Atty Jeb Pinney with the Public Service Commission, if Fern Lake Company was notified of the proceedings to be held today.
10:10:43 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Proceeds with heaing and reviews charges and violations against Fern Lake Company.  Ask Atty Jeb Pinney for any evidence to be submitted.
10:11:30 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie	Submits Testimony of PSC Witness Jeff Cline and ask for it to be marked as PSC Exhibit #1
10:11:42 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Chairman Schmitt allows the testimony to be marked as PSC Exhibit #1.
10:11:53 AM	Atty Jeb Pinney direct exam of PSC Witness Jeff Cline Note: Schweighardt, Stephanie	Calls Witness Jeff Cline to the stand  Swears in Witness  Ask Witness to state name, business address and current position.

10:12:08 AM	Ask Witness to state name, business address and current position. Note: Schweighardt, Stephanie	Asking Witness if any changes or corrections to the submitted testimony.
	Note: Schweighardt, Stephanie	Witness has no changes or corrections.
10:12:19 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie	Motion is substanced and filed as PSC Exhibit #1.
	Note: Schweighardt, Stephanie	Ask for the submitted testimony be entered into the record as PSC Exhibit #1.
10:12:38 AM	Vice Chairman Cicero Note: Schweighardt, Stephanie	gross annual receipt and several followups
10:12:39 AM	Vice Chairman Cicero cross exam of Witness Jeff Cline Note: Schweighardt, Stephanie	Questioning Witness if follow-up communications/contacts were made by PSC to Fern Lake Company regarding not filing the due reports.
	Note: Schweighardt, Stephanie	Witness states yes, but no responses were made.
10:13:26 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Excuses Witness
10:13:32 AM	Chairman Schmitt Note: Schweighardt, Stephanie	With no one else present, hearing is adjourned for Case #2017-00031.
10:13:52 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Introduces Case # 2017-00033 Red Barn Waste Management
10:14:11 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Calls for any one present on behalf of Red Barn Waste Management.
	Note: Schweighardt, Stephanie	No one present on behalf of Red Barn Waste Management.
10:14:25 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Ask Atty Jeb Pinney with the Public Service Commission, if Red Barn Waste Management was notified of the proceedings to be held today.
	Note: Schweighardt, Stephanie	Atty Jeb Pinney states yes, properly notified.
10:14:41 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Proceeds with hearing and reviews charges and violations against Red Barn Waste Management.
10:17:29 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Ask Atty Jeb Pinney for any testimonies to be submitted.
10:17:35 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie	Chairman Schmitt allows the testimony to be marked as PSC Exhibit #1.
	Note: Schweighardt, Stephanie	Submits Testimony of PSC Witness Jeff Cline and ask for it to be marked as PSC Exhibit #1
10:18:19 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie	Calls Witness Jeff Cline to the stand

10:18:33 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Swears in Witness
10:18:46 AM	Atty Jeb Pinney direct exam of PSC Witness Jeff Cline Note: Schweighardt, Stephanie	Ask Witness to state name, business address and current position.
10:19:03 AM	Atty Jeb Pinney direct exam of PSC Witness Jeff Cline Note: Schweighardt, Stephanie	Asking Witness if any changes or corrections to the submitted testimony.
	Note: Schweighardt, Stephanie	Witness has no changes or corrections.
10:19:13 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie	Ask for the submitted testimony be entered into the record as PSC Exhibit #1.
	Note: Schweighardt, Stephanie	Motion is substanced and filed as PSC Exhibit #1.
10:19:29 AM	VIce Chairman Cierco cross exam of Witness Jeff Cline Note: Schweighardt, Stephanie	Witness states serveral responses were recieved regarding why reports were not filed, but no reports were ever filed.
	Note: Schweighardt, Stephanie	Questioning Witness if any responses were received after follow-up communications/contacts were made by PSC to Red Barn Waste Managment regarding not filing the due reports.
10:20:40 AM	VIce Chairman Cierco cross exam of Witness Jeff Cline Note: Schweighardt, Stephanie	Witness stated yes, they acknowledged and only offered reasons why they had not.
	Note: Schweighardt, Stephanie	Questioned that they acknowledge they were required to file these reports, but only offered reasons why they were not filed.
10:21:10 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Witness is excused.
10:21:21 AM	Chairman Schmitt Note: Schweighardt, Stephanie	With no one else present, hearing is adjourned for Case #2017-00031.
10:21:42 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Introduces Case #2017-00045 Lewis Sanitation Company
10:21:58 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Calls for any one present on behalf of Lewis Sanitation Company.
	Note: Schweighardt, Stephanie	No one present on behalf of Lewis Sanitation Company.
10:22:14 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Ask Atty Jeb Pinney with the Public Service Commission, if Lewis Sanitation Company was notified of the proceedings to be held today.
	Note: Schweighardt, Stephanie	Atty Jeb Pinney states yes, properly notified.
10:22:29 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Proceeds with heaing and reviews charges and violations against Lewis Sanitation Company.
10:24:54 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Ask Atty Jeb Pinney for any testimonies to be submitted.



10:24:58 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie	Submits Testimony of PSC Witness Jeff Cline and ask for it to be marked as PSC Exhibit #1 Chairman Schmitt allows the testimony to be marked as PSC Exhibit #1.
10:25:36 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie	Calls Witness Jeff Cline to the stand
10:25:49 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Swears in Witness
10:25:59 AM	Atty Jeb Pinney direct exam of PSC Witness Jeff Cline Note: Schweighardt, Stephanie	Ask Witness to state name, business address and current position.
10:26:15 AM	Atty Jeb Pinney direct exam of PSC Witness Jeff Cline Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie	Asking Witness if any changes or corrections to the submitted testimony. Witness has no changes or corrections.
10:26:25 AM	Atty Jeb Pinney Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie	Motion is substanced and filed as PSC Exhibit #1. Ask for the submitted testimony be entered into the record as PSC Exhibit #1.
10:26:44 AM	Vice Chairman Cierco cross exam of Witness Jeff Cline Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie	Questioning if this is the first time Lewis Sanitation Company has failed to file their reports. Witness states may or may not, would have to check records.
10:27:07 AM	Vice Chairman Cierco cross exam of Witness Jeff Cline Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie	Witness states may be, but would have to check the records. Questioning if they may or may not be a first time offender.
10:27:27 AM	Vice Chairman Cierco cross exam of Witness Jeff Cline Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie	Witness states with the last attempt stating they would be placed on a delinquent list, they filed their reports. Questioning if the fact that they filed their reports is due to the witness' efforts.
10:28:46 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Excuses Witness.
10:28:57 AM	Chairman Schmitt Note: Schweighardt, Stephanie	With no one else present, hearing is adjourned for Case #2017-00045.
10:29:29 AM	Chairman Schmitt Note: Schweighardt, Stephanie	Addresses Case #2017-00032 Marshall County Environmental Services
10:29:57 AM	Chairman Schmitt Note: Schweighardt, Stephanie Note: Schweighardt, Stephanie	Marshall County Environment Service has filed a motion for continuous Commission has granted the motion.

10:30:33 AM Chairman Schmitt  
Note: Schweighardt, Adjourns hearing.  
Stephanie  
10:30:47 AM Session Paused  
10:39:49 AM Session Ended



# Exhibit List Report

2017-00030, 031, 033, 045  
28Mar2017

Center Ridge WD, Fern Lake, Red  
Barn Waste, Lewis Sanitation

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<b>Name:</b>	<b>Description:</b>
Exhibit 01 Case No. 2017-00030	Direct Testimony of Jeff Cline on behalf of the Public Service Commission
Exhibit 01 Case No. 2017-00031	Direct Testimony of Jeff Cline on behalf of the Public Service Commission
Exhibit 01 Case No. 2017-00033	Direct Testimony of Jeff Cline on behalf of the Public Service Commission
Exhibit 01 Case No. 2017-00045	Direct Testimony of Jeff Cline on behalf of the Public Service Commission

PSC  
Exhibit

#1

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALLEGED FAILURE OF FERN LAKE COMPANY ) CASE NO.  
TO FILE REQUIRED REPORTS ) 2017-00031

DIRECT TESTIMONY OF JEFF CLINE ON BEHALF OF  
THE PUBLIC SERVICE COMMISSION



1 **Q1 State your name and business address.**

2 A Jeff Cline, Public Service Commission, 211 Sower Boulevard, Frankfort,  
3 Kentucky 40601

4 **Q2 Who is your employer?**

5 A Public Service Commission of Kentucky ("PSCKY")

6 **Q3 How long has the PSCKY employed you?**

7 A I have been an employee of the PSCKY since August, 1997.

8 **Q4 What is your current position?**

9 A Procedures Development Coordinator

10 **Q5 As a Procedures Development Coordinator, what are your duties?**

11 A I am responsible for the compilation and dissemination of statistical information  
12 on the public utilities which the PSCKY regulates. I receive the completed report  
13 forms, review them for accuracy and completeness, and ensure that the  
14 information from the annual financial and statistical report form is correctly  
15 entered into the PSCKY's E-Filing System, which is accessible through the  
16 PSCKY's Web Site.

17 Although the Executive Director of the PSCKY is the custodian of PSCKY  
18 documents and reports, I have been delegated responsibility for storing and  
19 maintaining the completed annual financial and statistical reports and annual  
20 gross operating revenue reports.

21

1 **Q6 What are the Annual Financial and Statistical Reports?**

2 A 807 KAR 5:006, Section 4(2), provides that "[e]very utility shall file annually  
3 using the commission's electronic filing system a financial and statistical report  
4 on or before March 31 of each year." The form is available on the Commission's  
5 website. A copy of the email provided to Fern Lake Company notifying its of its  
6 obligation to file its annual report, and providing a link to the form, is attached to  
7 my testimony as Exhibit JC-1. The report requests information on a wide range  
8 of subjects, to include a utility's officers, income and expenses, and its liabilities.  
9 The report form varies according to the type of utility. The report for an electric  
10 utility will be quite different from the report form for a water utility.

11 **Q7 What is the purpose of the Annual Financial and Statistical Reports?**

12 A These reports are used to assess the financial condition of a utility and to monitor  
13 general trends within certain segments of the utility industry in Kentucky. They  
14 are also used to compile and develop information about the utility industry  
15 conditions. The PSCKY frequently uses them when reviewing utility applications  
16 for rate adjustments.

17 **Q8 What are Annual Gross Operating Revenue Reports?**

18 A KRS 278.140 requires each utility subject to PSCKY jurisdiction to file with the  
19 PSCKY a report of its gross earnings or receipts derived from intrastate business  
20 for the preceding calendar year. The report requests contact information and the  
21 amount of revenue that a utility received from its Kentucky operations. 807 KAR  
22 5:006 Section 1(a) provides that, "[e]ach utility shall file with the commission its  
23 gross operating revenue report on or before March 31 of each year." The same

1 information is used for electric, gas, water and sewer utilities and the email to  
2 Fern Lake Company reminding it of the obligation to file the gross operating  
3 report, with a link to the form on the Commission's website, is attached to my  
4 testimony as Exhibit JC-1. The information for telecommunication utilities varies  
5 according to the type of telecommunication service.

6 **Q9 For what are the Annual Gross Operating Revenue Reports used?**

7 A The reports are used to determine a utility's assessment for the maintenance of  
8 the PSCKY. Every year utilities are assessed in proportion to their earnings or  
9 receipts derived from intrastate business in Kentucky for the preceding calendar  
10 year. This assessment is used to fund the PSCKY's operating costs.

11 Before the beginning of a new fiscal year, the Finance Cabinet's Office of Policy  
12 and Management determines the PSCKY's budget levels for that year. Once  
13 those levels are determined, the Finance Cabinet determines the rate for the  
14 PSCKY assessment. This rate is based in part on total utility intrastate receipts.  
15 Once the assessment rate is determined, the Department of Revenue issues  
16 assessment notices for each utility. To determine the assessment amount, the  
17 Department of Revenue applies the assessment rate to the total intrastate  
18 receipts reported on the annual gross operating revenues report. KRS 278.130  
19 provides that in no instance will this assessment be less than fifty dollars  
20 (\$50.00).

21 **Q10 How are the forms for the Annual Financial and Statistical Report and the**  
22 **Annual Gross Operating Revenues Report provided to the utilities?**

1 A In January of each year, I send by electronic mail and email providing a link to  
2 the reports, explaining why the reports must be filed, and states the deadline for  
3 filing the reports.

4 **Q11 What are the deadline for filing these reports?**

5 A KRS 278.140 provides that the annual gross operating revenues report for a  
6 calendar year must be filed by March 31 of the following year. 807 KAR 5:006,  
7 Section 3(1) establishes the same deadline for the annual financial and statistical  
8 reports.

9 **Q12 May a utility request an extension of these deadlines?**

10 A No extension is permitted for the annual gross operating revenues report. 807  
11 KAR 5:006, Section 4, permits the Executive Director to grant a reasonable  
12 extension of time for filing of the annual financial and statistical reports where  
13 good cause has been shown. The Executive Director has delegated to me the  
14 authority to grant extensions.

15 **Q13 Does the reminder email advise about the availability of an extension of**  
16 **time for filing the Annual Financial and Statistical Reports?**

17 A Yes.

18 **Q14 How frequently is a request for an extension of time to file the Annual**  
19 **Financial and Statistical Report granted?**

20 A Extensions are granted as a matter of course. They are normally granted in 30-  
21 day increments. If a utility is unable to meet the extended deadline, it may  
22 request another extension.

1 **Q15 If a utility fails to meet the March 31 deadline and no request for extension**  
2 **is made, what happens?**

3 A We will usually advise the utility in writing that the required reports are delinquent.  
4 If the reports are not received shortly thereafter, we may telephone the  
5 responsible utility officials and advise them of the need to submit the required  
6 report and the possible consequences of failing to do so. We may telephone the  
7 utility several times over the next few months in an effort to obtain the reports.

8 **Q16 Once the reports are received, what do you do with them?**

9 A Annual Financial and Statistical Report: When a report is received electronically  
10 its receipt is recorded in a PSC electronic database. We ensure that the report  
11 is entered into the E-Filing System. The report is then reviewed for  
12 completeness and accuracy. It is checked for mathematical errors. All  
13 corresponding schedules are reviewed to ensure internal consistency. If  
14 inconsistencies or miscalculations are found, the utility is advised to make  
15 appropriate corrections. These corrections are then reviewed. After the review  
16 is completed, the report is made available for viewing and downloading through  
17 the PSC's Web Site.

18 Annual Gross Operating Revenues Report: When a report is received, its receipt  
19 is recorded in our database. It is then reviewed for completeness and accuracy.  
20 The report is also compared against the gross revenue entries on the utility's  
21 annual financial and statistical report, if filed, for consistency. If inconsistencies  
22 are found, the utility is advised to make corrections. These corrections are also  
23 reviewed. After the review is completed, the report is stored at the PSC's

1 office in Frankfort, Kentucky. Completed reports remain in the custody and  
2 control of the Filings Branch. The Department of Revenue is advised of the  
3 report's contents and uses the information to prepare the utility's assessment for  
4 the maintenance of the PSCKY.

5 **Q17 Was a reminder email of the Annual Financial and Statistical Report Form**  
6 **and the Annual Gross Operating Revenues Report Forms for the 2015**  
7 **calendar year sent to Fern Lake Company?**

8 A Yes. On January 14, 2016, an email reminding Fern Lake Company to file its  
9 annual financial and statistical report form, and instructions on how to do so, was  
10 sent by electronic mail to the following address: sal-g@tds.net. This address  
11 was the email address provided previously to the Commission. 807 KAR 5:003  
12 requires Fern Lake Company to maintain a current email address with the  
13 PSCKY. An email was sent to Fern Lake Company on May 5, 2016 informing it  
14 that its reports were delinquent. A copy of this email is attached as Exhibit JC-2.

15 **Q18 Did the PSCKY receive the completed form on or before March 31, 2016?**

16 A No. Fern Lake Company 2 did not submit the report forms nor provided the  
17 information through the PSC E-Filing System by March 31. Fern Lake Company.  
18 Fern Lake Company has also not submitted its reports forms for the 2014  
19 calendar year.

20 **Q19 Describe what efforts, if any, that you have taken to obtain the reports from**  
21 **Fern Lake Company?**



1 A Various emails have been sent over the years requesting they submit the  
2 required reports. The last email was sent on May 5, 2016. The emails are  
3 attached as JC-3.

4 **Q20 As of this date, have the Annual Financial and Statistical Report and the**  
5 **Annual Gross Operating Revenues Report for calendar years 2014 and**  
6 **2015 for Fern Lake Company been filed with the PSCKY?**

7 A No

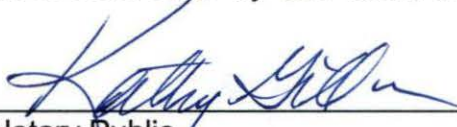
8 **Q23 Does this complete your written testimony?**

9 A Yes.

  
\_\_\_\_\_  
Jeff Cline

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FRANKLIN )

SUBSCRIBED AND SWORN to before me by Jeff Cline, this 27th day of  
March 2017.

  
\_\_\_\_\_  
Notary Public  
My commission expires. *Sept 3, 2017*  
ID# *495415*

**EXHIBIT 1 TO THE TESTIMONY OF JEFF CLINE**



**From:** Cline, Jeff D (PSC)  
**Sent:** Thursday, January 14, 2016 3:47 PM  
**To:** 'sal-g@tds.net'  
**Subject:** Gross and Annual Reporting with KPSC - Due March 31, 2016

This correspondence is to serve as a reminder for Fern Lake Company (ID 15100) that the 2015 **Investor-Owned Water Company** Report of Gross Operating Revenues ("Gross Report") and the Annual Financial and Statistical Report ("Annual Report") are required to be filed with the KPSC **no later than March 31, 2016. Further, these same reports for calendar year 2014 have yet to be filed.**

## **Gross Reports**

One original signed and notarized original hard copy Gross Report, each for calendar year 2014 and 2015, are is required to be filed pursuant to KRS 278.140 and 807 KAR 5:006, Section 4(1). Ensure that the Gross Reports filed with the KPSC are complete, including utility's default regulatory email address, pursuant to 807 KAR 5:006, Section 3(2). Please do not upload a copy of the Gross Reports with the e-filed Annual Report as the Gross Reports should be filed in hard copy format only.

**Blank Gross Reports should be printed, filled out, signed/notarized, and mailed to the mailing address provided at the bottom of this email.**

**Refer to the following links for printing the Gross Reports in the format of your choice:**

**PDF version:** <http://psc.ky.gov/agencies/psc/forms/gor01.pdf>

**Word version:** <http://psc.ky.gov/agencies/psc/forms/gor01.doc>

If you are unable to print the Gross Reports using the links provided above and would like to request a blank hard copy Gross Reports mailed to you, please request a hard copy by sending an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov).

## **Annual Reports**

The Annual Reports should be completed in the KPSC's e-filing system, each for calendar year 2014 and 2015, pursuant to 807 KAR 5:006, Section 4(2). Hard copies are not required.

An **Oath Page** should accompany each Annual Report which can be created at the **Create and Upload Page** located at last schedule on the left side of the screen of the Annual Report e-filing system. After your Annual Report Oath Page is printed, signed and notarized, simply scan and upload it back into the system under this same schedule. If you do not have scanning capabilities, you may mail a hard copy Oath Page to the address provided at the bottom of this email and we will upload on your behalf.

Further, there is an **Upload Supporting Documents** page to allow you a method to upload additional pages related to your Annual Report, if necessary. This page is the 2<sup>nd</sup> to last schedule shown on the left side of the screen, directly above the Create and Upload Oath Page schedule. In the event you had an Audit performed and the **Audit Report** is ready at the time of your Annual Report submission, a PDF copy of the report should be uploaded to be included with the Annual Report submission under this schedule. If you have an Audit performed but the Audit Report is not yet available, you may go ahead and submit your Annual Report. When the Audit Report is available, simply request for the Supporting Documents schedule to be placed back into edit mode by generating an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov). We will then open up the schedule to allow you to upload the Audit Report.

**Refer to the following link to log into the KPSC e-filing system for submitting the Annual Reports:**

**KPSC E-Filing System: <https://psc.ky.gov/Security/account/login.aspx>**

## **Annual Report Tips and Problem Solving**

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## **Web Browser Issues**

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Link: [Solution Steps](#)

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Link: [Solution Steps](#)

If you have attempted the above solutions and are still having difficulty, please contact us by email or phone.

## **Extension Requests**

An extension of time request for submitting the Gross Report cannot be granted and prompt filing is essential. However, the KPSC may occasionally, upon written request, allow a 30-day extension of time for filing the Annual Reports. The request must provide a reasonable explanation and be submitted prior to the March 31 deadline. **Annual Report extensions should be requested by generating an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov).**

Should you have any questions regarding reporting requirements, please do not hesitate to contact us at [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov) or (502) 564-3940.

Jeff D. Cline  
Annual Report Branch Manager  
Kentucky Public Service Commission  
211 Sower Boulevard  
PO Box 615  
Frankfort, KY 40602  
[www.psc.ky.gov](http://www.psc.ky.gov)

**EXHIBIT 2 TO THE TESTIMONY OF JEFF CLINE**

**From:** PSC - Reports  
**Sent:** Thursday, May 05, 2016 10:59 AM  
**To:** 'sal-g@tds.net'  
**Cc:** Cline, Jeff D (PSC)  
**Subject:** Fern Lake Company - Past Due Gross Reporting with KPSC

Please be advised that we have still not received the Gross Report or Annual Report for **Fern Lake Company** due March 31 and they are now considered highly delinquent. Please email a completed Gross Report to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov) and then follow up with a hard copy no later than May 11, 2016. Link to Investor-Owned Water Gross Report: <http://psc.ky.gov/agencies/psc/forms/gor01.pdf>

You may request an extension of time via email to file the Annual Report. Otherwise, it too should be filed no later than May 11, 2016 to bring your company back into good standing. No extension of time can be accepted for the Gross Report.

Further, the same reports for 2014 have not been submitted. Please advise as to the status of those submissions by May 11, 2016.

Any utility failing to comply with reporting requirements may be subject to the impositions of penalties provided under KRS 278.990.

Regards,

Jeff D. Cline  
Annual Report Branch Manager  
Kentucky Public Service Commission  
211 Sower Boulevard  
PO Box 615  
Frankfort, KY 40602

[www.psc.ky.gov](http://www.psc.ky.gov)

EXHIBIT 3 TO THE TESTIMONY OF JEFF CLINE

**From:** PSC - Reports  
**Sent:** Thursday, May 05, 2016 10:56 AM  
**To:** 'billdtruck@wk.net'  
**Cc:** Cline, Jeff D (PSC)  
**Subject:** Center Ridge Water District No. 2 - Past Due Gross Reporting with KPSC

Please be advised that we have still not received the Gross Report or Annual Report for **Center Ridge Water District No. 2** due March 31 and they are now considered highly delinquent. Please email a completed Gross Report to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov) and then follow up with a hard copy no later than May 11, 2016.

Link to Investor-Owned Water Gross Report: <http://psc.ky.gov/agencies/psc/forms/gor01.pdf>

You may request an extension of time via email to file the Annual Report. Otherwise, it too should be filed no later than May 11, 2016 to bring your company back into good standing. No extension of time can be accepted for the Gross Report.

Further, there appears to still be remaining errors on the 2014 Annual Report. I believe Mr. Brian Barnett reached out to the company in February regarding these issues. Please advise as to the status of those corrections by May 11, 2016.

Any utility failing to comply with reporting requirements may be subject to the impositions of penalties provided under KRS 278.990.

Regards,

Jeff D. Cline  
Annual Report Branch Manager  
Kentucky Public Service Commission  
211 Sower Boulevard  
PO Box 615  
Frankfort, KY 40602

[www.psc.ky.gov](http://www.psc.ky.gov)

**From:** Barnett, Brian M (PSC)  
**Sent:** Monday, February 29, 2016 8:05 AM  
**To:** billdtruck@wk.net  
**Subject:** RE: Center Ridge Annual Report - Errors  
**Importance:** High

Any word on this?

**From:** Barnett, Brian M (PSC)  
**Sent:** Monday, November 09, 2015 2:37 PM  
**To:** 'billdtruck@wk.net'  
**Subject:** Center Ridge Annual Report - Errors  
**Importance:** High

Dear Mr. Duncan,

We received the Annual Financial and Statistical Report for Center Ridge Water District No. 2 on 3/30/2015; however there are several errors that require corrections or explanations. I've attached a list of errors that require attention. Please note that if these errors are corrected, it is possible that other portions of the report may show new errors.

Please have the corrections or explanations finished no later than 11/16/2015.

Thank you,

Brian Barnett

**From:** Cline, Jeff D (PSC)  
**Sent:** Wednesday, January 13, 2016 4:09 PM  
**To:** 'billdtruck@wk.net'  
**Subject:** Gross and Annual Reporting with KPSC - Due March 31, 2016

If you are not the individual that completes Gross and Annual Reporting to the Kentucky Public Service Commission ("KPSC") on behalf of Center Ridge Water District No. 2, please forward to the proper person as this email contains pertinent requirement information including links to forms that can be printed for filing that are time-sensitive.

This correspondence is to serve as a reminder for Center Ridge Water District No. 2 (ID 6000700) that the 2015 **Investor-Owned Water Company** Report of Gross Operating Revenues ("Gross Report") and the Annual Financial and Statistical Report ("Annual Report") are required to be filed with the KPSC **no later than March 31, 2016.**

**Please note: If your company provides more than one service type, separate emails will be sent for each service type to the default regulatory email on file with the KPSC.**

#### **Gross Report**

One original signed and notarized original hard copy Gross Report for calendar year 2015 is required to be filed pursuant to KRS 278.140 and 807 KAR 5:006, Section 4(1). Ensure that the Gross Report filed with the KPSC is complete, including utility's default regulatory email address, pursuant to 807 KAR 5:006, Section 3(2). Please do not upload a copy of the Gross Report with the e-filed Annual Report as the Gross Report should be filed in hard copy format only.

**A blank Gross Report should be printed, filled out, signed/notarized, and mailed to the mailing address provided at the bottom of this email.**

**Refer to the following links for printing the Gross Report in the format of your choice:**

**PDF version:** <http://psc.ky.gov/agencies/psc/forms/gor01.pdf>  
**Word version:** <http://psc.ky.gov/agencies/psc/forms/gor01.doc>

If you are unable to print the Gross Report using the links provided above and would like to request a blank hard copy Gross Report mailed to you, please request a hard copy by sending an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov).

#### **Annual Report**

The Annual Report should be completed in the KPSC's e-filing system for calendar year 2015 pursuant to 807 KAR 5:006, Section 4(2). A hard copy is not required.

An Oath Page should accompany your Annual Report which can be created at the **Create and Upload Page** located at last schedule on the left side of the screen of the Annual Report e-filing system. After your Annual Report Oath Page is printed, signed and notarized, simply scan and upload it back into the system under this same schedule. If you do not have scanning capabilities, you may mail a hard copy Oath Page to the address provided at the bottom of this email and we will upload on your behalf.

Further, there is an **Upload Supporting Documents** page to allow you a method to upload additional pages related to your Annual Report, if necessary. This page is the 2<sup>nd</sup> to last schedule shown on the left side of the screen, directly above the Create and Upload Oath Page schedule. In the event you had an Audit performed and the **Audit Report** is ready at the time of your Annual Report submission, a PDF copy of the report should be uploaded to be included with the Annual Report submission under this schedule. If you have an Audit performed but the Audit Report is not yet available, you may go ahead and submit your Annual Report. When the Audit Report is available, simply request for the Supporting



Documents schedule to be placed back into edit mode by generating an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov). We will then open up the schedule to allow you to upload the Audit Report.

**Refer to the following link to log into the KPSC e-filing system for submitting the Annual Report:**

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Brian Barnett

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