

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALLEGED FAILURE OF MARSHALL COUNTY ) CASE NO.  
ENVIRONMENTAL SERVICES, LLC TO FILE ) 2017-00032  
REQUIRED REPORTS )

NOTICE OF FILING

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

- The Direct Testimony of Jeff Cline.

Done at Frankfort, Kentucky, this 18<sup>th</sup> day of August 2017.

  
\_\_\_\_\_  
John S. Lyons  
Acting Executive Director  
Public Service Commission of Kentucky

*~ [Handwritten signature/initials]*

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ALLEGED FAILURE OF MARSHALL COUNTY	)	CASE NO.
ENVIRONMENTAL SERVICES, LLC TO FILE	)	2017-00032
REQUIRED REPORTS	)	

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 completed annual  
13 financial and statistical report forms and the annual gross operating revenue  
14 report forms, review them for accuracy and completeness, and ensure that the  
15 information from the annual financial and statistical report form is correctly  
16 entered into the PSCKY's E-Filing System, which is accessible through the  
17 PSCKY's Web Site.

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

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

23 A 807 KAR 5:006, Section 4(2), provides that "[e]very utility shall file annually  
24 using the commission's electronic filing system a financial and statistical report

1 on or before March 31 of each year." The form is available on the Commission's  
2 website. A copy of the correspondence provided to Marshall County  
3 Environmental Services, LLC, notifying it of its obligation to file its annual report,  
4 and providing a link to the form, is attached to my testimony as Exhibit JC-1. The  
5 report requests information on a wide range of subjects, to include a utility's  
6 officers, income and expenses, and its liabilities. The report form varies  
7 according to the type of utility. The report for an electric utility will be quite  
8 different from the report form for a water utility.

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

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

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

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

1 the obligation to file the gross operating report, with a link to the form on the  
2 Commission's website, is attached to my testimony as Exhibit JC-1. The  
3 information for telecommunication utilities varies according to the type of  
4 telecommunication service.

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

6 A The reports are used to determine a utility's assessment for the maintenance of  
7 the PSCKY. Every year utilities are assessed in proportion to their earnings or  
8 receipts derived from intrastate business in Kentucky for the preceding calendar  
9 year. This assessment is used to fund the PSCKY's operating costs.  
10 Before the beginning of a new fiscal year, the Finance Cabinet's Office of Policy  
11 and Management determines the PSCKY's budget levels for that year. Once  
12 those levels are determined, the Finance Cabinet determines the rate for the  
13 PSCKY assessment. This rate is based in part on total utility intrastate receipts.  
14 Once the assessment rate is determined, the Department of Revenue issues  
15 assessment notices for each utility. To determine the assessment amount, the  
16 Department of Revenue applies the assessment rate to the total intrastate  
17 receipts reported on the annual gross operating revenues report. KRS 278.130  
18 provides that in no instance will this assessment be less than fifty dollars  
19 (\$50.00).

20 **Q10 How are the forms for the Annual Financial and Statistical Report and the**  
21 **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 correspondence advise about the availability of an  
16 extension of 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 its receipt is  
10 recorded in a PSC electronic database. We ensure that the report is entered  
11 into the E-Filing System. The report is then reviewed for completeness and  
12 accuracy. It is checked for mathematical errors. All corresponding schedules  
13 are reviewed to ensure internal consistency. If inconsistencies or  
14 miscalculations are found, the utility is advised to make appropriate corrections.  
15 These corrections are then reviewed. After the review is completed, the report  
16 is made available for viewing and downloading through the PSCKY's Web Site.  
17 Annual Gross Operating Revenues Report: When a report is received, its receipt  
18 is recorded in our database. It is then reviewed for completeness and accuracy.  
19 The report is also compared against the gross revenue entries on the utility's  
20 annual financial and statistical report, if filed, for consistency. If inconsistencies  
21 are found, the utility is advised to make corrections. These corrections are also  
22 reviewed. After the review is completed, the report is stored at the PSCKY's  
23 office in Frankfort, Kentucky. Completed reports remain in the custody and

1 control of the Filings Branch. The Department of Revenue is advised of the  
2 report's contents and uses the information to prepare the utility's assessment for  
3 the maintenance of the PSCKY.

4 **Q17 Was a reminder email of the Annual Financial and Statistical Report Form**  
5 **and the Annual Gross Operating Revenues Report Forms for the 2013,**  
6 **2014 and 2015 calendar years sent to Marshall County Environmental**  
7 **Services, LLC?**

8 A Yes. On January 14, 2016, an email reminding Marshall County Environmental  
9 Services, LLC to file its annual financial and statistical report form for the 2015  
10 calendar year, and instructions on how to do so, was sent by electronic mail to  
11 the following address: mces431@gmail.com. This address was the email  
12 address provided previously to the Commission. 807 KAR 5:003 requires  
13 Marshall County Environmental Services, LLC to maintain a current email  
14 address with the PSCKY.

15 On December 16, 2014, an email reminding Marshall County Environmental  
16 Services, LLC to file its annual financial and statistical report form for the 2014  
17 calendar year, and instructions on how to do so, was sent by electronic mail to  
18 the following address: mces431@gmail.com.

19 On December 18, 2013, a letter was sent to Marshall County Environmental  
20 Services, LLC, reminding it of its obligation to file its annual financial and  
21 statistical report form for the 2013 calendar year, and instructions on how to do  
22 so. Reminder letters and emails regarding the delinquent reports were sent



1 to Marshall County Environmental Services, LLC. Copies of this  
2 correspondence is attached as Exhibit JC-2.

3 **Q18 Did the PSCKY receive the completed forms for the 2013, 2014, and 2015**  
4 **calendar years?**

5 A Yes. Marshall County Environmental Services, LLC did complete its report  
6 forms for the Annual Financial and Statistical Report for the 2013-2015 calendar  
7 years but were not timely filed. Marshall County Environmental Services, LLC  
8 did complete its Gross Operating Revenues Reports for the 2013-2015 calendar  
9 years, but the Gross Operating Revenues Reports for the 2014 and 2015  
10 calendar years were not timely filed.

11 **Q19 Describe what efforts, if any, that you have taken to obtain the reports from**  
12 **Marshall County Environmental Services, LLC?**


13 A Various emails have been sent over the years requesting they submit the  
14 required reports. The last email was sent on November 21, 2016.

15 **Q20 As of this date, have the Annual Financial and Statistical Report and the**  
16 **Annual Gross Operating Revenues Report for calendar years 2013-2015 for**  
17 **Marshall County Environmental Services, LLC been filed with the PSCKY?**

18 A Yes. Marshall County Environmental Services, LLC, on January 30, 2017,  
19 completed its Gross Operating Revenues Reports for the 2014-2015 calendar  
20 years, on March 26, 2017, completed its Annual Financial and Statistical Report  
21 for calendar year 2013, and on March 27, 2017, completed its Annual Financial  
22 and Statistical Reports for calendar years 2014-2015.

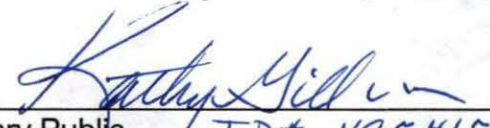
23 **Q23 Does this complete your written testimony?**

1 A Yes.

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

COMMONWEALTH OF KENTUCKY) )  
COUNTY OF FRANKLIN ) )

SUBSCRIBED AND SWORN to before me by Jeff Cline, this 16th day of August 2017.

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

# **EXHIBIT JC-1**

**From:** Cline, Jeff D (PSC)  
**Sent:** Monday, July 28, 2014 9:01 AM  
**To:** MCES (mces431@gmail.com)  
**Cc:** Cline, Jeff D (PSC)  
**Subject:** Marshall County Environmental Services, LLC - 2013 Annual Financial and Statistical Report Past Due

Please be advised that your extension for filing the 2013 Annual Financial and Statistical Report has now expired and the report is considered past due. Should you wish to request an additional extension, you may issue an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov) to submit the request and an explanation for the need of the extension. Otherwise, please e-file the report by July 31, 2014.

Do not hesitate contacting me should you have any questions.

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)  
(502) 564-3940

**From:** PSC - Reports  
**Sent:** Tuesday, May 13, 2014 2:17 PM  
**To:** MCES (mces431@gmail.com)  
**Subject:** Marshall County Environmental Services, LLC - 2013 Annual Financial and Statistical Report Extension

Please be advised that we received the Report of Gross Operating Revenues by email on May 12, 2014. Please forward a hard copy of that report so that it can be considered filed. Also, you now have until May 30, 2014 to electronically submit the 2013 Annual Financial and Statistical Report.

Annual Report Reminders for new process regarding Audit Reports and Oath Page:

1) If the utility had an audit performed in 2013, please upload a copy of the Audit Report with your e-filed Annual Report by utilizing the Support Document Upload page (2nd to last schedule of the Annual Report).

2) The Annual Report Oath Page should be printed from the last schedule of the Annual Report, signed and notarized, scanned, and then uploaded back into the last schedule of the Annual Report. Do not mark all schedules complete for the Annual Report until after the completed Oath Page has been uploaded back into Annual Report.

If a document is uploaded and e-filed with your Annual Report, a hard copy is no longer required.

**Internet Explorer browser Users that are e-filing Financial Reports and having difficulty,** Please check the following documents for common issues facing users filing for the 2013 period.

**IE version 10** – Issue: If when scrolling your cursor bounces back to the top of the screen:

Solution Steps

**IE version 11** – Issue: If you Log in successfully but then return to Public View: Solution Steps

Please do not hesitate contacting me should you have any questions.

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)

-----Original Message-----

From: PSC - Reports

Sent: Thursday, April 24, 2014 10:01 AM

To: 'MCES'

Subject: RE: Mashall County Environmental Services - E-File Instructions, Registering, and Copy of December Letter With Gross Report

This is still outstanding and the hard copy filing of this report now past due. Please advise

Here are links to the Report of Gross Operating Revenues:

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

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

-----Original Message-----

From: PSC - Reports

Sent: Thursday, April 10, 2014 10:01 AM

To: 'MCES'

Subject: RE: Mashall County Environmental Services - E-File Instructions, Registering, and Copy of December Letter With Gross Report

The hard copy Report of Gross Operating Revenues has not yet been received. Please advise so that your Annual Report extension can be addressed.

-----Original Message-----

From: PSC - Reports

Sent: Friday, April 04, 2014 4:13 PM

To: 'MCES'

Subject: RE: Mashall County Environmental Services - E-File Instructions, Registering, and Copy of December Letter With Gross Report

You would first need to send in a hard copy of the Report of Gross Operating Revenues (now past due if not already submitted). After receipt of that report, you can then generate an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov) requesting a 30-day extension for filing the Annual Report and please provide an explanation as to the reason for the extension request within that email.

-----Original Message-----

From: MCES [<mailto:mces431@gmail.com>]

Sent: Thursday, April 03, 2014 10:04 AM

To: Cline, Jeff D (PSC)

Subject: Re: Mashall County Environmental Services - E-File Instructions, Registering, and Copy of December Letter With Gross Report

Mr. Cline,

I am sorry for the late notice, I would like to request an extension on filing the financial reports. How do I need to go about doing that? Thank you, for your help.

Sincerely,

Michelle Artis

Marshall County

Environmental Services

Sent from Michelle's iPhone



-----Original Message-----

From: Cline, Jeff D (PSC)

Sent: Monday, February 03, 2014 10:29 AM

To: 'MCES'

Subject: E-File Instructions, Registering, and Copy of December Letter With Gross Report

Dear Ms. Artis:

Thank you for providing me with contact update information. The information has now been updated.

It was great speaking with you last Friday. As we discussed, this email will hopefully provide you with some information to help you with filing the 2013 Gross Report and Annual Report. The Gross Report should be filled out and mailed in and the Annual Report can be completed electronically.

I have attached 3 PDF files.

Reminder letter: The Reminder Letter PDF is the letter and copy of a blank Gross Report I issued in December. The Gross Report is the 3rd page of this PDF. If you have not received your copy in the mail, please simply print from the PDF file and have the Gross Report filled out, signed and notarized, and mailed in before March 31, 2014.

EFile Registration: The EFile Registration PDF is helpful if you have not yet registered to file Annual Reports on the KPSC web site, these instructions will step you through on how to register.

Annual Report Instructions: The Annual Report Instructions PDF will provide you with tips and explain the process of navigating through the electronic Annual Report system. Please remember to print the Oath Page from the very last page of the report (using the hyper-links on the left side of the screen to access the Oath Page. After printing and having it signed and notarized, please scan and then upload the completed page back into the electronic system by referring to the step 2 on the Oath Page schedule. After the entire report is complete and the Oath Page has been uploaded, you may go to the Tools menu and change the status of all schedules to complete.

Should you have any questions along the way, please do not hesitate to email or call.

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

Phone: 502.782.2623 | Fax: 502.564.3460 | Web: [www.psc.ky.gov](http://www.psc.ky.gov)

-----Original Message-----

From: MCES [<mailto:mc431@gmail.com>]

Sent: Friday, January 31, 2014 4:50 PM

To: Cline, Jeff D (PSC)

Subject: Address Change

Can you please change the mailing and contact information for Marshall County Environmental Services to the following.

MCES  
PO Box 431  
Benton, KY 42025

Contacts are as follows:  
Michelle Artis 270-205-1527  
William "Allen" Artis 270-205-1571

Email: [mces431@gmail.com](mailto:mces431@gmail.com)

Thank You,  
Michelle Artis - owner  
Sent from Michelle's iPhone

**From:** PSC - Reports  
**Sent:** Thursday, May 05, 2016 11:57 AM  
**To:** 'mces431@gmail.com'  
**Cc:** Cline, Jeff D (PSC)  
**Subject:** Marshall County Environmental Services, LLC - Past Due Gross Reporting with KPSC

Please be advised that we have still not received the Gross Report or Annual Report for **Marshall County Environmental Services, LLC** 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 Sewer 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.

**From:** Cline, Jeff D (PSC)  
**Sent:** Thursday, January 14, 2016 2:58 PM  
**To:** 'mces431@gmail.com'  
**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 Marshall County Environmental Services, LLC, 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 Marshall County Environmental Services, LLC (ID 9003800) that the 2015 **Sewer** 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 and are now considered highly delinquent.**

### **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 Report**

The Annual Report 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**

Making use of the **checklist** located at the 3<sup>rd</sup> to last schedule shown on the left side of the screen, just above the Upload Supporting Documents schedule, will help you eliminate cross-reference issues found in your report prior to submission. Also, be sure to click the **Save button** on each page when completing your Annual Report prior to moving on to the next page. After you save each page of your Annual Report, we recommend scrolling back to the top of each individual page and look for any description shown in red indicating errors that should be corrected prior to final submission.

Other helpful tips and instructions are available on our web site at:  
<http://psc.ky.gov/agencies/psc/AnnualReport/AnnRptInstructions.pdf>

### **Web Browser Issues**

For any Internet Explorer browser users that are having difficulty with creating or uploading material, please review the following documents for common issues facing users with Internet Explorer browser versions 10 and 11.

IE version 10 – Issue: If when scrolling, your cursor bounces back to the top of the screen:  
Link: [Solution Steps](#)

IE version 11 – Issue: If you Log in successfully but then return to Public View and cannot access UFR:  
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).**

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

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)

-----Original Message-----

From: PSC - Reports

Sent: Friday, August 07, 2015 2:36 PM

To: 'Shell'

Subject: RE: Marshall County Environmental Services

Extensions for the 2014 Annual Report has now lapsed and this report is considered past due. Please submit no later than August 31, 2015.

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)

-----Original Message-----

From: Shell [<mailto:wmartis42025@gmail.com>]

Sent: Wednesday, April 15, 2015 6:52 PM

To: PSC - Reports

Subject: Marshall County Environmental Services

I would like to request an extension on or report. I am out of town until the month.

Sent from Michelle's iPhone

**From:** Cline, Jeff D (PSC)  
**Sent:** Thursday, May 28, 2015 11:13 AM  
**To:** 'Shell'  
**Cc:** PSC - Reports  
**Subject:** RE: Past Due 2014 Report of Gross Operating Revenues and Annual Financial and Statistical Report

Can you please simply email me the Kentucky Intrastate Gross Revenue figure today? We really don't want to estimate this as it should be correct for the upcoming PSC Assessments. After you email me Gross figure, please drop the hard copy Gross Report in the mail. Then, if you haven't already, request an extension for filing the Annual Report by emailing a request, with explanation, to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov) to keep this company in compliance.

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:** Cline, Jeff D (PSC)  
**Sent:** Wednesday, May 27, 2015 8:39 AM  
**To:** 'Shell'  
**Subject:** RE: Past Due 2014 Report of Gross Operating Revenues and Annual Financial and Statistical Report

At least get the Gross Report to us so we don't have to predict revenue. Please request 30 day extension for the Annual by generating an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov) and providing a reason for the request. Without us having the Gross Report and at least an extension for the Annual, the company is no longer in compliance.

Regards,

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

**From:** Shell [<mailto:wmartis42025@gmail.com>]  
**Sent:** Tuesday, May 26, 2015 8:18 PM  
**To:** Cline, Jeff D (PSC)  
**Subject:** Re: Past Due 2014 Report of Gross Operating Revenues and Annual Financial and Statistical Report

I am sorry for the delay. I am still waiting on the information from the CPA. I will check with them again on Wednesday to check the status of it. Again, sorry for the delay.

Sent from Michelle's iPhone



**From:** Cline, Jeff D (PSC)  
**Sent:** Tuesday, May 26, 2015 10:14 AM  
**To:** 'Shell'  
**Cc:** 'mces431@gmail.com'; PSC - Reports  
**Subject:** FW: Past Due 2014 Report of Gross Operating Revenues and Annual Financial and Statistical Report

Michelle, the Gross Report is late and we needed it quickly because of a statutory date coming up next Monday.

-----Original Message-----

From: PSC - Reports

Sent: Thursday, April 23, 2015 2:07 PM

To: 'Shell'

Subject: RE: Marshall County Environmental Services

Michelle,

The Gross Report was due March 31 and no extension is possible. Please mail the Gross Report so your Annual Report extension request can be addressed.

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)

-----Original Message-----

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Sent from Michelle's iPhone

**From:** Cline, Jeff D (PSC)  
**Sent:** Wednesday, April 15, 2015 10:52 AM  
**To:** 'mces431@gmail.com'  
**Subject:** Past Due 2014 Report of Gross Operating Revenues and Annual Financial and Statistical Report

Please be advised that Marshall County Environmental Services, LLC's 2014 Report of Gross Operating Revenues ("Gross Report") and Annual Financial and Statistical Report ("Annual Report") were required to be submitted by March 31, 2015 and are now past due and considered highly delinquent pursuant to 807 5:006, Section 4. Swift action to comply with the reporting requirement will prevent a show cause action and penalties implemented pursuant to KRS 278.990.

Refer to the following links for a blank copy of the missing Gross Reports.  
<http://psc.ky.gov/agencies/psc/forms/gor01.pdf>

The Annual Report is to be completed online on the KPSC web portal by using the same log-in information as used in previous years.

It is essential that I receive these reports immediately because of a statutory deadline. **Please mail the original completed forms to me on or before April 22, 2015** so that the company can return to good standing pertaining to reporting requirements with the Kentucky Public Service Commission.

An extension for the Gross Report is not possible and the 2014 original Gross Report should be mailed. However, should you wish to request an extension for the Annual Report, please provide a brief explanation for the need of the extension and request by email directed to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov).

Do not hesitate to contact me by email with any questions or to provide feedback in this matter.

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:** Cline, Jeff D (PSC)  
**Sent:** Tuesday, December 16, 2014 4:07 PM  
**To:** 'mces431@gmail.com'  
**Subject:** Required Reporting to KPSC Due NLT March 31, 2015

If you are not the individual that completes Gross and Annual Reporting on behalf of Marshall County Environmental Services, LLC, please forward to the proper person as this email contains pertinent requirement information including links to forms that can be printed for filing.

This correspondence is to serve as a reminder for Marshall County Environmental Services, LLC that the 2014 Sewer Report of Gross Operating Revenues ("Gross Report") and the Annual Financial and Statistical Report ("Annual Report") are required to be filed with the Kentucky Public Service Commission no later than March 31, 2015.

Please note: If your company provides more than one service type, separate reports should be submitted for each service type.

### **Gross Report**

One original signed and notarized original hard copy of the Gross Report for calendar year 2014 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 Commission is complete, including utility's default regulatory email address, pursuant to 807 KAR 5:006, Section 3(2).

**The 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 simply contact us by generating an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov).

### **Annual Report**

The Annual Report for calendar year 2014 should be completed by utilizing the Commission's e-filing system pursuant to 807 KAR 5:006, Section 4(2). When you are satisfied with your entire Annual Report submission and have uploaded your Annual Report Oath Page, you can complete the submission of your electronic Annual Report by going to the Tools menu and changing status of all schedules to complete. Electronic submissions made without an Annual Report Oath Page will not be accepted as filed. A hard copy is no longer required.

You may electronically create and print the Annual Report Oath Page under the Create and Upload Oath Page schedule within the e-file system. This page is the last schedule shown on the left side of the screen and should be used only to create and upload the completed Oath Page. After your Annual Report Oath Page is 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. If you cannot create and print the Oath Page, please refer to the Tips and Problem Solving information section in this email.

Further, there is also 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. 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 Audit may also be uploaded to be included with the Annual Report submission under this schedule.

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

Making use of the checklist near the end of the report will help you eliminate cross-reference issues found in your report prior to submission. Be sure to click the Save button on each page when completing your Annual Report prior to moving on to the next page. Also, after you save each page of your Annual Report, if you scroll back to the top of each individual page and look for any description shown in red, this will bring attention to total errors that should be corrected prior to final submission.

Other helpful tips and instructions are available on our web site at:

<http://psc.ky.gov/agencies/psc/AnnualReport/AnnRptInstructions.pdf>

For any Internet Explorer browser users that are having difficulty with creating or uploading material, please review the following documents for common issues facing users with Internet Explorer browser versions 10 and 11.

IE version 10 – Issue: If when scrolling, your cursor bounces back to the top of the screen:

Link: [Solution Steps](#)

IE version 11 – Issue: If you Log in successfully but then return to Public View and cannot access UFR:

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 Commission may occasionally, upon written request, allow a 30-day extension of time for filing the Annual Report. The request **must** provide a reasonable explanation and be submitted prior to the March 31 deadline. **Annual Report extensions may be requested by generating an email to [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov).**

Any utility failing to comply with reporting requirements may be subject to the impositions of penalties provided under KRS 278.990, and legal action to collect any fines and balances due.

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)  
(502) 564-3940

**From:** Cline, Jeff D (PSC)  
**Sent:** Monday, November 21, 2016 3:26 PM  
**To:** 'mces431@gmail.com'  
**Cc:** PSC - Reports  
**Subject:** RE: Marshall County Environmental Services, LLC - Past Due Gross Reporting with KPSC

Good afternoon,

It was great speaking with you today. Per our conversation, it appears Marshall County is missing the following reports:

2013 – Annual Report (Gross Report was filed 5/19/2014)  
2014 – Annual Report and Gross Report  
2015 – Annual Report and Gross Report

Gross Report info: Please simply print 2 copies of the report at <http://psc.ky.gov/agencies/psc/forms/gor01.pdf>. One should be completed for calendar year 2014 and the other for 2015. Each should be signed, notarized, and hard copy mailed.

Annual Report info: You can log in to create and submit the big Annual Report at the KPSC web site ([www.psc.ky.gov](http://www.psc.ky.gov)). Click the Log-in button in the top left portion of the screen.

Username is [mces431@gmail.com](mailto:mces431@gmail.com) and password is shell04.

Once logged in, click the "UFR" button and go to the 2013 report period and complete the full Annual Report. Be sure to save each page using the save button before moving on to the next page. Also, the very last page is an Oath that can be printed, signed, notarized and then scanned to be uploaded back to the same schedule. The same thing should be done for 2014 and 2015 Annual Reports.

Should you have any problems or questions at all, please just let me know.

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

[www.psc.ky.gov](http://www.psc.ky.gov)  
(502) 564-3940

**From:** PSC - Reports  
**Sent:** Thursday, May 05, 2016 11:57 AM  
**To:** 'mces431@gmail.com'  
**Cc:** Cline, Jeff D (PSC)  
**Subject:** Marshall County Environmental Services, LLC - Past Due Gross Reporting with KPSC

Please be advised that we have still not received the Gross Report or Annual Report for **Marshall County Environmental Services, LLC** 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 Sewer 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.

**From:** Cline, Jeff D (PSC)  
**Sent:** Thursday, January 14, 2016 2:58 PM  
**To:** 'mces431@gmail.com'  
**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 Marshall County Environmental Services, LLC, 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 Marshall County Environmental Services, LLC (ID 9003800) that the 2015 **Sewer** 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 and are now considered highly delinquent.**

### **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/qor01.pdf>  
**Word version:** <http://psc.ky.gov/agencies/psc/forms/qor01.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 Report**

The Annual Report 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

Making use of the **checklist** located at the 3<sup>rd</sup> to last schedule shown on the left side of the screen, just above the Upload Supporting Documents schedule, will help you eliminate cross-reference issues found in your report prior to submission. Also, be sure to click the **Save button** on each page when completing your Annual Report prior to moving on to the next page. After you save each page of your Annual Report, we recommend scrolling back to the top of each individual page and look for any description shown in red indicating errors that should be corrected prior to final submission.

Other helpful tips and instructions are available on our web site at:  
<http://psc.ky.gov/agencies/psc/AnnualReport/AnnRptInstructions.pdf>

### Web Browser Issues

For any Internet Explorer browser users that are having difficulty with creating or uploading material, please review the following documents for common issues facing users with Internet Explorer browser versions 10 and 11.

IE version 10 – Issue: If when scrolling, your cursor bounces back to the top of the screen:  
Link: [Solution Steps](#)

IE version 11 – Issue: If you Log in successfully but then return to Public View and cannot access UFR:  
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.**

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

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  
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# **EXHIBIT JC-2**



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Linda Breathitt  
Commissioner

December 18, 2013

Michelle Artis  
Marshall County Environmental Services, LLC  
1303 Pugh School Road  
Benton, KY 42025

RE: **2013 Annual Reporting**  
Sewer  
Utility ID: 9003800

Dear Ms. Artis:

One original signed and notarized copy of the enclosed Report of Gross Operating Revenues ("Gross Report") for calendar year 2013 is required to be filed by **March 31, 2014** pursuant to KRS 278.140 and 807 KAR 5:006, Section 4(1). Please ensure that the Gross Report filed with the commission is complete, including utility's default regulatory email address pursuant to 807 KAR 5:006, Section 3(2). Additional copies of this form can be found on our web site under Utility Information / Forms.

The Annual Financial and Statistical Report ("Annual Report") for calendar year 2013 can also now be completed and is required to be submitted by **March 31, 2014** pursuant to 807 KAR 5:006, Section 4(2). Please use the commission's e-filing system for the Annual Report submission. **Be advised that a new upload feature has been implemented within the Annual Report e-filing system for the signed and notarized Oath Page as well as all other supporting documents.** Upon completion of the electronic Annual Report form, you may electronically create and print the Oath Page and after it is signed and notarized, simply scan and upload it back into the system. This will omit the requirement for the hard copy of the Oath Page. Further, there is also a supporting document upload page to include additional pages, if necessary, and in the event you had an audit performed and the Audit Report is ready at the time of your Annual Report submission, it may be uploaded to be included with the Annual Report submission. As in previous years, please notify us that you have completed your Annual Report and have uploaded your Oath Page by selecting Change Status / Complete from the Tools menu. **Please be aware that if you upload your Oath Page, a hard copy is no longer required.** Helpful tips and instructions are available on our web site under Commission Records / Financial Reports / E-File Help.

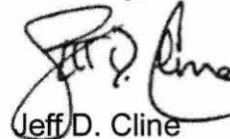
Ms. Michelle Artis  
December 18, 2013  
Page 2

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

**Any utility failing to comply with reporting requirements by March 31, 2014 shall be subject to the impositions of penalties provided under KRS 278.990, and legal action to collect any fines and balances due.**

Should you have any questions regarding reporting requirements, please do not hesitate to email PSC.Reports@ky.gov.

Sincerely,



Jeff D. Cline  
Annual Report Branch Manager

Enclosure(s)

\*Honorable John N Hughes  
Attorney at Law  
124 West Todd Street  
Frankfort, KENTUCKY 40601

\*Marshall County Environmental Services, LLC  
P. O. Box 431  
Benton, KY 42025

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Benton, KY 42025