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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF KNOTT COUNTY WATER)
AND SEWER DISTRICT FOR AN) CASE NO. 2019-00268
ALTERNATIVE RATE ADJUSTMENT)**

**SECOND REQUEST FOR INFORMATION TO KNOTT COUNTY WATER
AND SEWER DISTRICT FROM LETCHER COUNTY WATER AND SEWER
DISTRICT-CITY OF HINDMAN**

Pursuant to the Public Service Commission's Order of August 14, 2019, Letcher County Water and Sewer District ("Letcher District") and the City of Hindman, Kentucky ("City") respectfully submit the following requests for information to Knott County Water and Sewer District ("Knott County District") to be answered no later than October 18, 2019.

Instructions

1. As used herein, "Documents" include all correspondence, memoranda, notes, email, maps, drawings, surveys, or other written or recorded materials, whether external or internal, of every kind or description in the possession of, or accessible to, Knott District, its witnesses, or its counsel.
2. Please identify by name, title, position, and responsibility the person or persons answering each of these data requests.
3. These requests shall be deemed continuing so as to require further and supplemental responses if Knott District receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted herein.

4. To the extent that the specific document, work paper, or information as requested does not exist, but a similar document, work paper, or information does exist, provide the similar document, work paper, or information.

5. To the extent that any request may be answered by a computer printout, spreadsheet, or other form of electronic media, please identify each variable contained in the document or file that would not be self-evident to a person not familiar with the document or file.

6. If Knott District objects to any request on the ground that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel as soon as possible.

7. For any document withheld on the ground 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.

8. In the event any document requested has been destroyed or transferred beyond the control of Knott District, its counsel, or its witnesses, 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 such a document was destroyed or transferred by reason of a document retention policy, describe in detail the document retention policy.

9. If a document responsive to a request is a matter of public record, please produce a copy of the document rather than a reference to the record where the document is located.

Requests for Information

1. Describe how Knott District determined the useful lives of its capital assets for accounting purposes.

2. Identify the publications or texts that Knott District or its agents used to determine the useful lives of Knott District's capital assets for accounting purposes and for ratemaking purposes.

3. Confirm that Knott District considers the existing written contracts with each of its wholesale customers that are on file with the Public Service Commission to have been terminated. Provide a copy of the notice of the termination provided to each wholesale customer.

4. State when Knott District's Board of Commissioners made its decision to terminate its written contracts with its wholesale customers.

5. Refer to Application, Attachment 5c. For each debt listed, state that annual date(s) that principal or interest payments must be made.

6. Describe how Mr. Villines determined the miles of joint use mains.

7. Identify the specific sections of main that Mr. Villines determined were jointly used by Knott District and its wholesale customers.

8. Identify the specific sections of main that Mr. Villines determined were jointly used by Knott District and Letcher District.

9. Identify the specific sections of main that Mr. Villines determined were jointly used by Knott District and Hindman.

10. The table below lists the total length of mains according to the Application, Knott District's 2018 Annual Report to the Public Service Commission, and Kentucky Water Resource Information System ("WRIS"). Explain the discrepancy and describe how Knott District determined that the lengths used in its application were the appropriate lengths for use in its cost-of-service study.

Main Size (Inches)	Application (miles)	2018 Annual Rept (miles)	WRIS* (miles)
16	6.2		17.5
12	56.8	12	37.26
8	69.9	50	70.52
6	49.6	5.5	50.2
4	28.7	4	26.38
3	36.1	10	26.65
2	10.1	6	10.36
1	0.8		
* WRIS lists 0.49 miles as unknown			

11. Refer to Knott District's Response to Letcher District/City's First Request for Information, Item 4, pages 169-174. Provide the depreciation schedule as an Excel Spreadsheet.

12. Refer to Knott District's Response to Letcher District/City's First Request for Information, Item 7. Of the potential 58 customers, state the number who have as of October 4, signed a contract for water service with Knott District.

13. Provide the contract or agreement between Knott District and Kentucky Rural Water Association for the preparation of Mr. Villines' rate study and related services.

14. Refer to Knott District's Response to Letcher District/City's First Request for Information, Item 12. Confirm that "Regular Hours" does not include days which were paid vacation days or paid holidays.

15. Refer to Knott District's Response to Letcher District/City's First Request for Information, Item 14. Provide a table that addresses only health insurance expense and lists the total cost of each employee's health insurance coverage, the type of coverage (e.g., single, family, other), and the employee's required contribution to the cost of his or her coverage.

16. Refer to Knott District's Response to Letcher District/City's First Request for Information, Item 13. Explain what is meant by "insurance credit equivalent" and "an option to receive."

17. Refer to Knott District's Response to Letcher District/City's First Request for Information, Item 15. Identify the three employees that were hired in 2018, their position, and the nature of each employee's job responsibilities.

18. Refer to Knott District's Response to Letcher District/City's First Request for Information, Item 8.

a. Provide a breakdown of the number of tap fees assessed during the test period by meter size.

b. Provide a breakdown of the revenue received from tap fees assessed during the test period by meter size.

19. Refer to Knott District's Response to Letcher District/City's First Request for Information, Item 28.

a. Confirm that the \$579.50 cost for new meter installations or tap-ons listed in the response refers only to the cost of materials and does not include the cost of labor.

b. State the number of hours of labor that is required for a new meter connection, and the hourly wage rate (including overhead for such costs as health insurance and other benefits) for the Knott District employees who performed the labor for meter connections.

c. State the number of meter connections performed in the test period.

d. Explain how Mr. Villines determined that 30 percent of the revenues from meter connection fees should be attributed to labor costs and be deducted from test-period Salaries and Wages expense.

20. Refer to Knott District's Response to Letcher District/City's First Request for Information, Item 30.

a. Confirm that but for the alleged meter failure Knott District would have reported additional sales of 11,000,000 gallons of water during the test period to Letcher District.

b. State whether Knott District has repaired or replaced the defective meter in question.

c. State whether the operating revenues from sales for resale were adjusted in the Application's Schedule of Adjusted Operations to reflect these additional sales upon repair. If no adjustment was made, explain why not.

21. a. State whether Knott District issues a single bill monthly to those customers that it provides water and sewer service.

b. State the number of customers on December 31, 2018 that Knott District provided both water and sewer service.

c. Confirm that on December 31, 2018 Knott District provided water service to 2,974 customers.

d. Confirm that on December 31, 2018, Knott District provided sewer service to 168 customers.

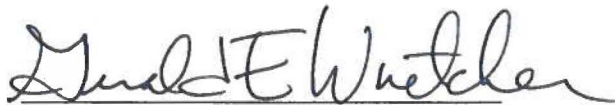
e. Confirm that bills for sewer service are based upon the amount of water that a sewer customer consumes.

f. State whether the same Knott District employees are tasked to prepare customer bills and to maintain customer account records for water and sewer customers.

f. Describe how the expenses associated with those employees and any other expenses associated with billing and collections are allocated between Knott District's water and sewer operations.

Dated: October 4, 2019

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Gerald E. Wuetcher". The signature is fluid and cursive, with the first name "Gerald" and last name "Wuetcher" being clearly legible.

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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that on October 4, 2019 a true and accurate copy of this Request was transmitted by electronic mail to the following:

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