

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-	)	
AMERICAN WATER COMPANY TO AMEND	)	CASE NO.
TARIFF FOR THE ESTABLISHMENT OF	)	2020-00027
QUALIFIED INFRASTRUCTURE PROGRAM	)	
CHARGE	)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO KENTUCKY-AMERICAN WATER COMPANY

Kentucky-American Water Company (Kentucky-American), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on April 13, 2020. The Commission directs Kentucky-American to the Commission's March 16, 2020 and March 24, 2020 Orders, in Case No. 2020-00085,<sup>1</sup> regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky-American shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kentucky-American fails or refuses to furnish all or part of the requested information, Kentucky-American shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky-American shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Chambers Workpaper Spreadsheet, Tab labeled "Placed in Service."
  - a. Identify any contingency costs Kentucky-American included in its QIP projections by category.

b. Provide the methodology Kentucky-American used to calculate any contingency included that it included in its QIP projections.

c. Provide a detailed explanation as to why Kentucky-American should be allowed to recover through the QIP any projected contingency.

2. Provide a comparison of methods that were used by Kentucky-American in budgeting in the application to the methods that were used in Case No. 2018-00358 for each QIP category listed below. For each different method, provide a detailed explanation for any differences in the methods used by Kentucky-American.

B - mains replaced
C - mains unscheduled
D -mains relocated
F - valves, hydrants and MHs replaced
H - services and laterals replaced
J - meters replaced
L - SCADA
M - security
Q - plant equipment

3. Refer to Kentucky-American's Response to Commission Staff's First Request for Information (Staff's First Request), Item 1. For each calendar year from 2015 to 2019, provide a comparison of budgeted main relocations to actual main relocations. For differences exceeding 5 percent, provide a detailed explanation of the cause of the difference.

4. Refer to Kentucky-American's Response to Staff's First Request, Item 2. Refer to the attachment outlining Kentucky-American's Strategic Capital Expenditure Plans for years 2015–2019.

a. Provide a reconciliation for the Row Labels in the table below to the QIP categories listed in Item 1 above.

Row Labels

CAPDV  
CAPIP  
CAPRPA  
CAPRPB  
CAPRPC  
CAPRPD  
CAPRPE  
CAPRPF  
CAPRPG  
CAPRPH  
CAPRPI  
CAPRPJ  
CAPRPK  
CAPRPL  
CAPRPM  
CAPRPN  
CAPRPO  
CAPRPP  
CAPRPQ  
CAPRPS

- b. Provide an explanation of the impact the QIP will have on Kentucky-American's current and future Strategic Capital Expenditure Plans.
- c. Provide an explanation of the impact the QIP will have on projected outside and inside capital financing needs in the future.
- d. Provide a detailed explanation as to why Kentucky-American does not have a strategic plan that would include the QIP period from July 1, 2020, through June 30, 2021.
- e. Provide a comparison of methods that were used by Kentucky-American in budgeting in the application to the methods that were used in developing its strategic plans for each QIP category listed in Item 2 above. For each different method, provide a detailed explanation for any differences in the methods used by Kentucky-American.

5. Refer to Kentucky-American's Response to Staff's First Request, Item 3.
  - a. For each month of the QIP, identify the main replacements projects that will be placed into service.
  - b. For each calendar year from 2015 to 2019, provide a comparison of budgeted main replacements to actual main replacements. For differences exceeding 5 percent, provide a detailed explanation of the cause of the difference.
  - c. For each calendar year from 2015 to 2019, provide the number of replacements budgeted in that year compared to the number actually completed.
  - d. For each calendar year from 2015 to 2019, provide the number and cost of main replacements for which Kentucky-American received reimbursement.
6. Refer to Kentucky-American's Response to Staff's First Request, Item 4.
  - a. Provide a revised copy of the spreadsheet attachment labeled KAW\_R\_PSCDR1\_NUM004\_03252020\_ replacing estimated/budgeted totals with actual 2019 totals.
  - b. For each calendar year from 2015 to 2019, provide a comparison of budgeted unscheduled main replacements to actual unscheduled main replacements. For differences exceeding 5 percent, provide a detailed explanation of the cause of the difference.
7. Refer to Kentucky-American's Response to Staff's First Request, Item 5. For each calendar year from 2015 to 2019, provide a comparison of budgeted valve, hydrants, and manhole replacements to actual valve, hydrant, and manhole replacements. For differences exceeding 5 percent, provide a detailed explanation of the cause of the difference.

8. Refer to Kentucky-American's Response to Staff's First Request, Item 6.
  - a. For each calendar year from 2015 to 2019, provide a comparison of budgeted service and lateral replacements to actual service and lateral replacements. For differences exceeding 5 percent, provide a detailed explanation of the cause of the difference.
  - b. For each calendar year from 2015 to 2019, provide a comparison of budgeted meter replacements to actual meter replacements. For differences exceeding 5 percent, provide a detailed explanation of the cause of the difference.
  - c. For each calendar year from 2015 to 2019, provide a comparison of budgeted SCADA installation and replacements to actual SCADA installation and replacements. For differences exceeding 5 percent, provide a detailed explanation of the cause of the difference.
9. Refer to Kentucky-American's Response to Staff's First Request, Item 8. For each calendar year from 2015 to 2019, provide a comparison of budgeted security installation, improvement, and replacements to actual security installation, improvement, and replacements. For differences exceeding 5 percent, provide a detailed explanation of the cause of the difference.
10. Refer to Kentucky-American's Response to Staff's First Request, Item 11(b).
  - a. Verify that the cost of retirements is included in the cost of removal. If not, provide an explanation of what is included in each.
  - b. Provide a breakdown of the costs included in the cost of retirement as well as a breakdown of the costs included in the cost of removal.

11. Refer to Kentucky-American's Response to Staff's First Request, Item 12(a). Provide explanation for why Kentucky-American included QIP costs for July 1, 2020, to December 1, 2020, instead of a full year in Case No. 2018-00358.

12. Refer to the Direct Testimony of Kurt A. Stafford, pages 14–15. For each calendar year from 2015 to 2019, provide a comparison of budgeted plant equipment purchase or replacements to actual plant equipment purchase or replacements. For differences exceeding 5 percent, provide a detailed explanation of the cause of the difference.



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DATED APR 01 2020

cc: Parties of Record

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