

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH	)	
EASTERN WATER ASSOCIATION, INC. FOR	)	
COMMISSION APPROVAL PURSUANT TO 807	)	CASE NO.
KAR 5:001 AND KRS 278.020 FOR A	)	2022-00065
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	
NECESSITY TO CONSTRUCT A CUSTOMER	)	
SERVICE AND OPERATIONS FACILITY	)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO SOUTH EASTERN WATER

South Eastern Water Association, Inc. (South Eastern Water), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on June 28, 2022. The Commission directs South Eastern Water to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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 association or a governmental agency, be accompanied by a signed certification of the preparer or the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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.

South Eastern Water shall make timely amendment to any prior response if South Eastern Water obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which South Eastern Water fails or refuses to furnish all or part of the requested information, South Eastern Water 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, South Eastern Water 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 South Eastern Water's Response to Commission Staff's First Request for Information (Staff's First Request), Item 2(a) where it states that South Eastern Water "believes that it purchased the property at below market price" in 2017.

a. Identify the original owner of the parcel of real property that approached South Eastern Water about buying the property.

b. State whether this person had any personal or professional relationship with any employees or board members of South Eastern Water at the time South Eastern Water was approached with the proposal to purchase the property.

c. Provide any written or oral communications regarding negotiations between the owner of the property and South Eastern Water for the purchase of the property.

d. Provide any documentation, research, or communications (in written or oral form) concerning South Eastern Water's decision to purchase the property.

e. Provide the names of any persons who participated in the decision to purchase the property, and describe their roles in the decision-making process.

f. Provide any research, including but not limited to consultations with real estate professionals, conducted in support of the conclusion that the property was purchased at below market price, and was therefore a "very wise business decision by South Eastern Water."

2. Refer to South Eastern Water's response to Staff's First Request, Item4(c).

a. Explain why no cost-benefit analysis has been performed regarding the justification of bringing all repair and maintenance work in-house.

b. State how much of the overall budget of \$2,115,864 is allocated to the construction of the proposed combination garage and shop building that will enable South Eastern Water to perform service and maintenance in-house.

c. State how much the overall budgeted project cost of \$2,115,864 would be lowered by eliminating the construction of the proposed combination garage and shop building.

d. State the expected annual operations cost for in-house vehicle service and maintenance at the proposed facility.

e. State the expected annual cost of outsourced vehicle repair work after the proposed facility is built.

3. Refer to South Eastern Water's response to Staff's First Request, Item 4(b).

a. State approximately how many total hours of work per week will be required of the three to four current employees who are qualified to perform the routine service and maintenance work on its vehicles and equipment if they were to perform the work in-house as planned.

b. State to what extent (if any) the other duties of these qualified employees will be affected by being required to perform the routine service and maintenance work on vehicles and equipment that would normally be outsourced to a third-party.

4. Refer to South Eastern Water's response to Staff's First Request, Item 2(c). Provide a schedule for planned depreciation of the proposed facility.

5. Refer to South Eastern Water's response to Staff's First Request, Item 15. Provide any documents referencing costs involved in purchasing, using, or renovating the 23-acre property or the decision not to purchase this property.



Linda C. Bridwell, PE  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED   JUN 14 2022  

cc: Parties of Record

Case No. 2022-00065

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