

RECEIVED

AUG 23 2019

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF BIG SANDY WATER)
 DISTRICT FOR A CERTIFICATE OF PUBLIC)
 CONVENIENCE AND NECESSITY TO)
 CONSTRUCT A SYSTEM IMPROVEMENTS) CASE NO. 2019-00275
 PROJECT AND AN ORDER APPROVING A)
 CHANGE IN RATES AND AUTHORIZING)
 THE ISSUANCE OF SECURITIES PURSUANT)
 TO KRS 278.023)

** *** **** ***** **** *** **

RESPONSE TO STAFF'S FIRST REQUEST FOR INFORMATION

The Applicant, Big Sandy Water District (the "District"), by Counsel, files this Response to the August 16, 2019 Commission Staff's First Request for Information as follows:

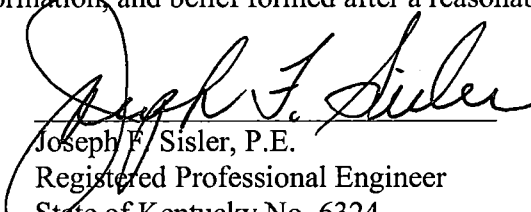
Responding Witness: Joseph F. Sisler, P.E., Sisler-Maggard Engineering, PLLC.

Request No. 1. As 807 KAR 5:069, Section 2(6)(c), provides, the proposed rates, if any, shall produce the total revenue requirements recommended in the engineering reports. Provide a copy of the billing analysis showing revenue at current rates and at proposed rates based on actual and forecasted water usage for the existing system for a 12-month period as contained in the Kentucky Guide 7 Summary Addendum that was provided to the United States Department of Agriculture, Rural Development (RD) as referenced in the Preliminary Engineering Report at page 17 (Revised 05/03/19) as part of the loan application.

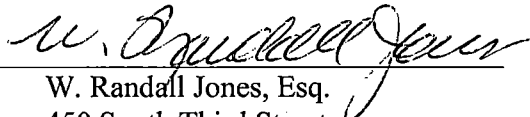
Response No. 1. Attached hereto please find a copy of the requested billing analysis.

Certification of Response to Commission Staff's First Request for Information

I hereby certify that I have supervised the preparation of Big Sandy Water District's Response to the Commission Staff's First Request for Information. This Response is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Joseph F. Sisler, P.E.
Registered Professional Engineer
State of Kentucky No. 6324

Respectfully Submitted,
Rubin & Hays

By 
W. Randall Jones, Esq.
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
Counsel for Big Sandy Water District
wrijones@rubinhays.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Response was duly mailed by first class United States Postal Service mail to all parties of record in this proceeding on this 22nd day of August, 2019.


W. Randall Jones, Esq.
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
Counsel for Big Sandy Water District

IX. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period January 2017 to December 2017

Residential Only

Gallons	Gallons		of users Residential	of users Non-Residential	x1000 Gal	
0-1K	500		17.02	542	0	271 \$ 9,225
1-2K	1,500		21.36	546	0	819 \$ 11,660
2-3K	2,500		30.03	769	0	1923 \$ 23,089
3-4K	3,500		38.70	763	0	2671 \$ 29,524
4-5K	4,500		47.37	682	0	3069 \$ 32,303
5-6k	5,500		56.04	470	0	2585 \$ 26,336
6-7K	6,500		64.71	325	0	2113 \$ 21,029
7-8K	7,500		73.38	170	0	1275 \$ 12,474
8-9K	8,500		82.05	130	0	1105 \$ 10,666
9-10K	9,500		89.42	90	0	855 \$ 8,047
10-12k	11,000		98.52	70	0	770 \$ 6,886
12-15k	13,500		113.70	50	0	675 \$ 5,685
15-20K	17,500		137.98	40	0	700 \$ 5,519
20-30K	25,000		181.40	20	0	500 \$ 3,628
30-40k	35,000		237.90	6	0	210 \$ 1,427
40-50K	45,000		293.25	2	0	90 \$ 587
50-75K	62,500		388.10	1	0	63 \$ 388
75-100K	87,500		523.60	0	0	0 \$ -
100-150K	125,000		726.85	0	0	0 \$ -
150-200K	175,000		997.85	0	0	0 \$ -
200-300K	250,000		1,404.35	0	0	0 \$ -
300-400K	350,000		1,946.35	0	0	0 \$ -
subtotal				4676	0	19,692 \$ 208,484
average residential rate per month					4676	\$ 44.59
average residential usage per month in Gallons						4,211
annual revenue						\$ 2,501,805
annual flow quantity in gallons sold						236,304,000

IX. ANALYSIS OF ACTUAL WATER USAGE - EXISTING SYSTEM - 12 MONTH PERIOD

For Period January 2017 to December 2017

Non – Residential

Gallons	Gallons	of users Residential	of users Non-Residential	x1000Gal	
0-1K	500	17.02	0	31	16 \$ 528
1-2K	1,500	21.36	0	26	39 \$ 555
2-3K	2,500	30.03	0	3	8 \$ 90
3-4K	3,500	38.70	0	4	14 \$ 155
4-5K	4,500	47.37	0	3	14 \$ 142
5-6k	5,500	56.04	0	2	11 \$ 112
6-7K	6,500	64.71	0	1	7 \$ 65
7-8K	7,500	73.38	0	1	8 \$ 73
8-9K	8,500	82.05	0	1	9 \$ 82
9-10K	9,500	89.42	0	1	10 \$ 89
10-12k	11,000	98.52	0	1	11 \$ 99
12-15k	13,500	113.70	0	1	14 \$ 114
15-20K	17,500	137.98	0	0	0 \$ -
20-30K	25,000	181.40	0	1	25 \$ 181
30-40k	35,000	237.90	0	1	35 \$ 238
40-50K	45,000	293.25	0	1	45 \$ 293
50-75K	62,500	388.10	0	0	0 \$ -
75-100K	87,500	523.60	0	0	0 \$ -
100-150K	125,000	726.85	0	0	0 \$ -
150-200K	175,000	997.85	0	0	0 \$ -
200-300K	250,000	1,404.35	0	1	250 \$ 1,404
300-400K	350,000	1,946.35	0	1	350 \$ 1,946
subtotal				0	80 862 \$ 6,167
average residential rate per month					80 \$ 77.09
average residential usage per month in Gallons					10,775
annual revenue					\$ 74,003
annual flow quantity in gallons sdd					10,344,000

XV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING
USERS Residential only

Usage Gallons	Gallons	rate	monthly# of users Residential	monthly# of users NonResidential	usage x1000Gal	income
0-1K	500	18.25	542	0	271	\$ 9882
1-2K	1,500	18.25	546	0	819	\$ 9955
2-3K	2,500	22.95	769	0	1923	\$ 17,649
3-4K	3,500	32.35	763	0	2671	\$ 24,683
4-5K	4,500	41.75	682	0	3069	\$ 28,474
5-6k	5,500	51.15	470	0	2565	\$ 24,041
6-7K	6,500	60.55	325	0	2113	\$ 19,679
7-8K	7,500	69.95	170	0	1275	\$ 11,882
8-9K	8,500	79.35	130	0	1105	\$ 10,316
9-10K	9,500	88.75	90	0	855	\$ 7,988
10-12k	11,000	98.15	70	0	770	\$ 6,990
12-15k	13,500	115.85	50	0	675	\$ 5,793
15-20K	17,500	141.45	40	0	700	\$ 5,688
20-30K	25,000	187.20	20	0	500	\$ 3,744
30-40k	35,000	246.70	6	0	210	\$ 1,480
40-50K	45,000	304.95	2	0	90	\$ 610
50-75K	62,500	404.70	1	0	63	\$ 405
75-100K	87,500	547.20	0	0	0	\$ -
100-150K	125,000	760.95	0	0	0	\$ -
150-200K	175,000	1,045.95	0	0	0	\$ -
200-300K	250,000	1,473.45	0	0	0	\$ -
300-400K	350,000	2,043.45	0	0	0	\$ -
subtotal			4676	0	19,421	\$ 214,651
average residential rate per month				4676		\$ 45.90
average residential usage per month in Gallons						4,153
total revenue						\$ 257,812

XV. FORECAST OF WATER USAGE - INCOME - EXISTING SYSTEM - EXISTING
USERS Non - Residential only

					Residential	NonResidential		
0-1K		500			1825 0	31	16 \$	536
1-2K		1,500			1825 0	26	39 \$	475
2-3K		2,500			2295 0	3	8 \$	69
3-4K		3,500			3235 0	4	14 \$	129
4-5K		4,500			4175 0	3	14 \$	125
5-6k		5,500			5115 0	2	11 \$	102
6-7K		6,500			6055 0	1	7 \$	61
7-8K		7,500			6995 0	1	8 \$	70
8-9K		8,500			7935 0	1	9 \$	79
9-10K		9,500			8875 0	1	10 \$	89
10-12k		11,000			9815 0	1	11 \$	100
12-15k		13,500			11585 0	1	14 \$	116
15-20K		17,500			14145 0	0	0 \$	-
20-30K		25,000			18720 0	1	25 \$	187
30-40k		35,000			24670 0	1	35 \$	247
40-50K		45,000			30495 0	1	45 \$	305
50-75K		62,500			40470 0	0	0 \$	-
75-100K		87,500			54720 0	0	0 \$	-
100-150K		125,000			76095 0	0	0 \$	-
150-200K		175,000			1,04595 0	0	0 \$	-
200-300K		250,000			1,47345 0	1	250 \$	1,473
300-400K		350,000			2,04345 0	1	350 \$	2,043
subtotal						0	80	847 \$ 214,651
average residential rate per month							80	\$ 2,683.14
average residential usage per month in Gallons								10,581
annual revenue								\$ 2,575,812
annual flow quantity in gallons sold								10,153,000

**XVII. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY
PROPOSED RATE INCREASE – Residential Only**

Usage Gals		rate	monthly# duses Residential	monthly# duses NonResidential	usage x100Gal	income
01K	500		1825	52	0	271 \$ 992
12K	1500		2295	56	0	89 \$ 1251
23K	2500		3235	79	0	193 \$ 2487
34K	3500		4175	73	0	257 \$ 3155
45K	4500		5115	62	0	309 \$ 3484
56k	5500		6055	40	0	285 \$ 2849
67K	6500		6995	35	0	213 \$ 2274
78K	7500		7935	10	0	125 \$ 1340
89K	8500		8875	13	0	113 \$ 1158
910K	9500		9815	9	0	85 \$ 834
1012k	11000		1025	7	0	70 \$ 738
1215k	13500		1225	5	0	65 \$ 628
1520K	17500		1385	4	0	70 \$ 634
2030K	25000		1660	2	0	50 \$ 332
3040k	35000		2610	6	0	20 \$ 157
405K	45000		3435	2	0	90 \$ 69
507K	62500		4410	1	0	63 \$ 44
7510K	87500		5660	0	0	0 \$ -
1015K	125000		7035	0	0	0 \$ -
1520K	175000		10535	0	0	0 \$ -
2030K	250000		14285	0	0	0 \$ -
3040K	350000		20285	0	0	0 \$ -
subtdl				476	0	1921 \$ 22547
avg residential rate per month					476	\$ 4824
avg residential usage per month in Gals						413
annual revenue						\$ 270635

**XVII. FORECAST OF WATER USAGE - INCOME - NEW USERS - EXTENSION ONLY
PROPOSED RATE INCREASE – Non - Residential Only**

usage Gallons	Gallons	rate	monthly# of users Residential	monthly# of users Non-Residential	usage x100Gal	income
0-1K	500	18.25	0	31	16	\$ 536
1-2K	1,500	22.95	0	26	39	\$ 597
2-3K	2,500	32.35	0	3	8	\$ 97
3-4K	3,500	41.75	0	4	14	\$ 167
4-5K	4,500	51.15	0	3	14	\$ 153
5-6k	5,500	60.55	0	2	11	\$ 121
6-7K	6,500	69.95	0	1	7	\$ 70
7-8K	7,500	79.35	0	1	8	\$ 79
8-9K	8,500	88.75	0	1	9	\$ 89
9-10K	9,500	98.15	0	1	10	\$ 98
10-12k	11,000	109.25	0	1	11	\$ 109
12-15k	13,500	125.25	0	1	14	\$ 125
15-20K	17,500	150.85	0	0	0	\$ -
20-30K	25,000	196.60	0	1	25	\$ 197
30-40k	35,000	256.10	0	1	35	\$ 256
40-50K	45,000	314.35	0	1	45	\$ 314
50-75K	62,500	414.10	0	0	0	\$ -
75-100K	87,500	536.60	0	0	0	\$ -
100-150K	125,000	702.35	0	0	0	\$ -
150-200K	175,000	1,055.35	0	0	0	\$ -
200-300K	250,000	1,482.85	0	1	250	\$ 1,483
300-400K	350,000	2,052.85	0	1	350	\$ 2,053
subtotal				0	80	\$ 6,575
average residential rate per month					80	\$ 82.18
average residential usage per month in Gallons						10,581
and revenue						\$ 78,894