

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTHERN)	CASE NO.
WATER AND SEWER DISTRICT FOR AN)	2022-00099
ALTERNATIVE RATE ADJUSTMENT)	

NOTICE OF FILING

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

- The digital video recording of the evidentiary hearing conducted on November 9, 2022 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on November 9, 2022.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://www.youtube.com/watch?v=rWFAM-TNZhQ>.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 22nd day of November 2022.



Linda C. Bridwell

Executive Director

Public Service Commission of Kentucky

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ELECTRONIC APPLICATION OF SOUTHERN)	CASE NO.
WATER AND SEWER DISTRICT FOR AN)	2022-00099
ALTERNATIVE RATE ADJUSTMENT)	

CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on November 9, 2022. The Formal Hearing Log is included with the recording on November 9, 2022;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of November 9, 2022; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of November 9, 2022, and the time at which each occurred.

Signed this 22nd day of November, 2022.



Candace H. Sacre
Administrative Specialist III



Stephanie Schweighardt
Notary Public State at Large ID#: 614400
Commission Expires: January 14, 2023



Session Report - Detail

2022-00099 09Nov2022

Southern Water and Sewer District

Date:	Type:	Location:	Department:
11/9/2022	Public Hearing\Public Comments	Hearing Room 1	

Witness: Paula Burke; Randy Conley; Donnie Daniels; Jeff Prater; Jeff Reed
 Judge: Kent Chandler; Mary Pat Regan
 Clerk: Candace Sacre

Event Time	Log Event	
9:02:49 AM	Session Started	
9:02:52 AM	Chairman Chandler Note: Sacre, Candace H	Good morning, we are on the record in Case No. 2022-00099, electronic application of the Southern Water and Sewer District for an alternative rate adjustment.
9:03:03 AM	Chairman Chandler Note: Sacre, Candace H	My name is Kent Chandler. I'm Chairman of the Kentucky Public Service Commission and will be presiding over the hearing today. With me and joining me on the stand, here, is Commissioner Mary Pat Regan.
9:03:14 AM	Chairman Chandler Note: Sacre, Candace H	Hearing recommendations. (Click on link for further comments.)
9:03:22 AM	Chairman Chandler Note: Sacre, Candace H	At this time, entry of appearance of counsel.
9:03:27 AM	Atty Bailey Southern Water District Note: Sacre, Candace H	Steven Bailey for Southern Water.
9:03:34 AM	Asst Gen Counsel Frederick PSC Note: Sacre, Candace H	Tina Frederick and Kurt Kruthoffer for Commission Staff.
9:03:38 AM	Chairman Chandler Note: Sacre, Candace H	Public notice. (Click on link for further comments.)
9:03:44 AM	Chairman Chandler Note: Sacre, Candace H	Outstanding issues/motions. (Click on link for further comments.)
9:03:53 AM	Chairman Chandler Note: Sacre, Candace H	Public comments. (Click on link for further comments.)
9:05:14 AM	Chairman Chandler Note: Sacre, Candace H	Move on to presentation of evidence, order intend call witnesses?
9:05:33 AM	Atty Bailey Southern Water District Note: Sacre, Candace H	Ask that Jeff Prater be called first.
9:05:39 AM	Chairman Chandler Note: Sacre, Candace H	Anything after that? (Click on link for further comments.)
9:06:17 AM	Atty Bailey Southern Water District Note: Sacre, Candace H	Jeff Prater.
9:06:38 AM	Chairman Chandler Note: Sacre, Candace H	Witness is sworn.
9:06:45 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Examination. Name and address?
9:07:19 AM	Atty Bailey Southern Water District - witness Prater Note: Sacre, Candace H	Direct Examination. Position with Southern Water?
9:07:25 AM	Atty Bailey Southern Water District - witness Prater Note: Sacre, Candace H	When in that position?
9:07:34 AM	Atty Bailey Southern Water District - witness Prater Note: Sacre, Candace H	Background on how came in to that position?

9:08:28 AM Atty Bailey Southern Water District - witness Prater
Note: Sacre, Candace H Feel financial condition improved since first arrived at position?

9:09:07 AM Atty Bailey Southern Water District - witness Prater
Note: Sacre, Candace H What Southern position today regarding rate case?

9:09:56 AM Chairman Chandler
Note: Sacre, Candace H Ms. Frederick?

9:10:01 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Cross Examination. Operational changes, new tank at Meek Branch, familiar with that?

9:10:25 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Funded with a grant \$740,000?

9:10:32 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Source of grant funding?

9:10:38 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Who would know for sure?

9:10:56 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Examination. Who would actually know?

9:11:05 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Cross Examination (cont'd). No one with Southern here that could answer that question?

9:11:13 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Know if grant funds covered entire cost replacing tank?

9:11:18 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Additional excess funds after cost of tank paid for?

9:11:36 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Grant money not quite cover entire cost?

9:11:43 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H What quantifiable operational savings Southern attribute to completion of Meek Branch tank project?

9:12:20 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H When new tank installed and project completed?

9:12:33 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H District calculated reduction in water loss since that time?

9:12:58 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Examination. Test year in rate case is 2021, is this tank proposal put forward a rate increase because of efficiencies found?

9:13:33 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H If put in December of '20 or Jan '21, whatever efficiencies and reduction in water loss caught up in data provided in basis of case?

9:14:00 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Cross Examination (cont'd). Estill Bottom line relocation project, listed as operational change in efficiency, application indicates funded with \$250,800 grant, source of grant funds?

9:14:21 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Know if grant funds covered entire cost?

9:14:26 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Any funds remaining after Estill Bottom relocation completed?

9:14:33 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Know if customer meters replaced during Estill Bottom relocation project?

9:14:58 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H No meters, just service lines?

9:15:08 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H When Estill Bottom project completed?

9:15:31 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Also cited public information campaign, since start of campaign Southern received reports of water theft?

9:16:21 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Regardless however reported, how Southern deal with situation when report of water theft given to district?

9:16:43 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H In response to staff report, expected received \$210,000 reduction in debt service by 2024, any other quantifiable savings district expects between now and 2024?

9:17:52 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Should Southern file alternative rate application in 2024 Southern anticipate filing cost of service study with application?

9:18:08 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Should final order in this proceeding order rate increase at this time, Southern anticipate filing another rate increase in 2024?

9:19:00 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Draw attention to case record and also 2020-00121 there at witness stand along with annual reports 2017 through 2021, draw attention to Southern Response to First Request, Item 3A, attachment?

9:20:50 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Referring to Loan No. 38626, filed 6-10-22, promissory note, loan date 11-17-2017, predates time on commission?

9:23:14 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Aware loan had balloon payment due in 2019 of \$89,562.66?

9:23:27 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Plan for repaying balloon payment?

9:24:33 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H That is what Southern response indicated, in possession of five trucks?

9:24:44 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Used in operation of district today?

9:24:51 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Loan looks like renewed Nov 25 2019, correct?

9:25:01 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Who signed loan agreement?

9:25:11 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H When signed, see Commission approval for that agreement?

9:25:33 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Aware that long-term debt appeared on Southern annual report every year since 2017 with particular debt with initiating date of 11-17-17 and maturity date of 11-17-2023?

9:26:27 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H Payments current?

9:26:32 AM Asst Gen Counsel Frederick PSC - witness Prater
Note: Sacre, Candace H When due be paid off?

9:27:03 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Examination. Entered into in '17, redone in '19, redone again in '21?

9:27:10 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Not redo it for six years, you redid it -

9:27:23 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H If over six years between day originated and day ended, have to by fact any of two-year periods have to be longer than two years?

9:28:00 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Said total does total six years?

9:28:03 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Saying going to be more than six, fair?

9:28:20 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H One of two-year periods every year extra day, where is conversation occurring, having conversations in board meetings, having conversation with Bailey or management and is your understanding of what law is?

9:29:33 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H And statute says what statute says, speaks for itself, Villines not an attorney?

9:29:42 AM Chairman Chandler
Note: Sacre, Candace H Go ahead.

9:29:44 AM Asst Gen Counsel Frederick PSC
Note: Sacre, Candace H No further.

9:29:47 AM Chairman Chandler
Note: Sacre, Candace H Questions?

9:29:52 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Examination (cont'd). What is your day job?

9:30:00 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Been with Big Sandy for a while?

9:30:09 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Hands on with infrastructure and physical assets?

9:30:24 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H You have greater appreciation useful life of infrastructure?

9:30:37 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Is that general basis for decisions, how long think something can still provide service?

9:31:36 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H How used, how maintained?

9:31:51 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Don't make 'em like they used to?

9:32:12 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Good understanding at your day job how long last, need be maintained, need replaced?

9:32:27 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Sometimes just operating expense to fix something?

9:32:59 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Operational side dealing with physical assets, providing routine to financial side of business, certain assets not make sense maintain, need replaced, working with other side of house on financial side?

9:34:18 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Construction work plan specific with some things, file and get approved by RUS and then can amend?

9:34:35 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H File with Commission Staff whether need certificate?

9:35:04 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Construction work plans process to go through your folks and other management, 34 years with utility?

9:35:29 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H When talking about life of assets, how important to be accurate with life of asset, benefit to utility to say asset las 50 years recover 30 years, sustainable long term?

9:36:44 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H What kind of meters have?

9:36:53 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Turtle 2 PLCs?

9:37:06 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Before had those, ordinary mechanical meters?

9:37:11 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Which last longer?

9:37:16 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Last 30, 40, 50 years as long as testing right?

9:37:21 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Make sense to depreciate Twac meters over same life?

9:37:54 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Reason I ask all this, not a lot of complaints at day job, doing good job, depend on both loans from RUS and depreciation to fund investments in system?

9:38:26 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Case in front of us, expert said revenue requirement require eight percent increase in rates?

9:38:45 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Increase over current rates \$275,000 or \$300,000 a year?

9:38:55 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Annual depreciation expense \$900,000, assuming 2021 don't increase rates, miss out on third of depreciation expense?

9:40:48 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Why not?

9:40:57 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Difference in terms of having enough money to cover depreciation or at all between grant money and loan money?

9:41:48 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Had to borrow money, debt service separately recovered?

9:42:02 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Difference between grant and loan, with loan have to recover debt service?

9:42:17 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Already cheaper in rates, saying it should be doubly cheaper, is no debt service and not recover depreciation on grants?

9:42:40 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Not recovering depreciation on loans necessarily to repay loan?

9:43:00 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H How long loans and grants take to get, identify need and get grant, two months, 30 days, six years?

9:43:26 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Even before 2019, when need identified?

9:43:38 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Four or five years between identifying need and getting grant, that's a problem, great to get free money but terrible operationally go three, four, five years between need and wait for grant?

9:44:03 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H If in position getting loans may not be easiest or be expensive and grants take a while, agree depreciation a source of funding to reinvest in system?

9:44:41 AM Chairman Chandler - witness Prater
Note: Sacre, Candace H Fair statement, all know Southern not recover depreciation appropriately since existence of utility, be surprised, concern not recover \$275,000 depreciation expense last year, \$200,000-\$300,000 year before that?

9:46:44 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	That where concern and curiosity comes, utility struggling for 20 years not recovering costs to invest in system, relying on grants, how much longer can you last missing out on depreciation expense a year?
9:48:14 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Think utility adequately invested in its utility over last 10-15 years?
9:48:26 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Remember conversation about Southern having water line installed years ago, found out not correct type of material when put in place, know what referring to?
9:49:44 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Not water line?
9:49:56 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Think Conley speak to it?
9:50:01 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Any of area in which grants announced will address?
9:50:46 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Know how much grant amount seeking is?
9:51:09 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Any efficiencies believe argue against raising rates now not accounted for in test year of case?
9:51:47 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Based off 2021 numbers, not fully fund depreciation expense last year?
9:52:02 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	If not raise rates, expectation fund depreciation expense even less in 2022?
9:52:36 AM	Chairman Chandler - witness Prater Note: Sacre, Candace H	Think expenses rise or lower in 2023?
9:53:25 AM	Chairman Chandler Note: Sacre, Candace H	Redirect?
9:53:53 AM	Chairman Chandler Note: Sacre, Candace H	Next witness?
9:53:55 AM	Atty Bailey Southern Water District Note: Sacre, Candace H	Donald Daniels.
9:54:16 AM	Chairman Chandler Note: Sacre, Candace H	Witness is sworn.
9:54:22 AM	Chairman Chandler - witness Daniels Note: Sacre, Candace H	Examination. Name and address?
9:54:38 AM	Atty Bailey Southern Water District - witness Daniels Note: Sacre, Candace H	Direct Examination. Position?
9:54:46 AM	Atty Bailey Southern Water District - witness Daniels Note: Sacre, Candace H	Resided in Southern service area since Southern came about?
9:55:10 AM	Atty Bailey Southern Water District - witness Daniels Note: Sacre, Candace H	Feel personal knowledge of service area and residents service?
9:55:41 AM	Atty Bailey Southern Water District - witness Daniels Note: Sacre, Candace H	State position on rate case?
9:59:25 AM	Chairman Chandler - witness Daniels Note: Sacre, Candace H	Examination. Believe need more money?
10:00:43 AM	Chairman Chandler - witness Daniels Note: Sacre, Candace H	Keep saying right now, when in experience was good time to have raised rates, when get so bad need rate increase, scenario believe would be right time?

10:05:13 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Think be any more happening get rate increase next year?

10:06:23 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Prater telling me next year financial condition even worse?

10:06:32 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Expects costs to go up, don't expect revenues go up?

10:07:16 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Next year, do not expect financial position get better?

10:07:41 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Haven't had turnover, that's in the record?

10:08:48 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Talk about meters, desperate situation with meters, struggled to pay for meters even though needed?

10:09:01 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Were \$1.2 million, in test year of case, lost net income basis \$275-300,000 a year?

10:09:24 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Short revenue requirement in test year between \$275-300,000?

10:09:35 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Test year of this case, 2021?

10:09:45 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Rates not covering all expenses including depreciation?

10:10:01 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H That's a quarter of \$1.2 million, question why rates going up, desperate, had utility covered depreciation expense over years able replace meters in timely basis and not borrow money?

10:11:11 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Or would have been replaced when broke, some meters broke for years?

10:11:27 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Telling people what?

10:11:33 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H So it's our fault?

10:11:47 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H But utility did not have money to replace meters?

10:12:12 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H That's what caused crisis with meters, so many nonresponding meters and such concern with whether accurate, Commission gave fixed rate because reading on meters not trustworthy?

10:13:13 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H If had revenue like supposed to, wouldn't be burdened being on board?

10:13:21 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Reality is, if utility recovered rates at close to what actual costs were, had not had too low of rates, not be in operational position were in 2017, 2018, 2019?

10:13:42 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H When is right time, never good time, what metrics use to figure out when right time is, when tough or hard to explain, expectation costs go up and revenues not go up as fast, worse and worse financial position, run risk of running too late?

10:15:30 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Generational opportunity for grants, not long-term solution?

10:16:21 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H If management comes to board in March next year, expect losing money on cash basis, at that point time to have rate case?

10:17:28 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Where in between, If losing money on cash basis have to raise rates, can't borrow money to run and pay for operational expenses?

10:17:57 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Depreciation nice cushion, where between now what look like today to there, what else looking at as board whether rates adequate?

10:18:32 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H You are.

10:19:38 AM Chairman Chandler
Note: Sacre, Candace H More questions on direct?

10:19:48 AM Atty Bailey Southern Water District - witness Daniels
Note: Sacre, Candace H Direct Examination (cont'd). Feel that current rate structure have right now sufficient to get us a few years to file a new case, new ARF case?

10:20:39 AM Atty Bailey Southern Water District
Note: Sacre, Candace H All I have.

10:20:41 AM Asst Gen Counsel Frederick PSC
Note: Sacre, Candace H Staff has no questions.

10:20:42 AM Chairman Chandler
Note: Sacre, Candace H Commissioner Regan?

10:20:44 AM Commissioner Regan
Note: Sacre, Candace H I don't.

10:21:02 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Examination. What is hope for next year, grants aside, costs going to rise, what do you know not shared today that you have expectation guard against that or that actually put in a better financial position longer go without a rate increase?

10:23:07 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Or if you have numbers?

10:24:39 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Agree utility needs more money?

10:24:47 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Do you think utility needs more income to be in a strong enough position to provide adequate, efficient, reasonable service, own consultant said eight percent increase, in application, agree need an increase?

10:25:34 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H What asking for not what vote was, said today your concern was impact on customers, objectively think utility needs more income?

10:25:55 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H Also worried income derived from rates impact have on customers, is both, not just second?

10:26:15 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H You said customers can't take it right now?

10:26:34 AM Chairman Chandler - witness Daniels
Note: Sacre, Candace H That's a fine position to take, trying to understand basis of objection, three possibilities, not first one, whether not think utility more money and customers can't take it or concerned about rate increase on customers?

10:28:21 AM	Chairman Chandler - witness Daniels Note: Sacre, Candace H	Operationally have settled, not seem have firm grasp of financial situation, how translate financially, (click on link for further comments), operational efficiencies gained taken into account before consultant determined revenue requirement, not see black and white numbers things actually get better financially without change?
10:34:06 AM	Chairman Chandler - witness Daniels Note: Sacre, Candace H	Tell you basis of every one of questions is think folks in Floyd County deserve as good or better water than anywhere else in Kentucky, not well served to that benefit, hope can continue to help.
10:35:30 AM	Chairman Chandler - witness Daniels Note: Sacre, Candace H	Say it this way, have good Staff, Kentucky Rural Water has good staff, combination of passion for community and taking help and recommendations from professionals, (click on link for further comments), going to be a process on your part.
10:37:22 AM	Chairman Chandler Note: Sacre, Candace H	Redirect?
10:37:31 AM	Chairman Chandler Note: Sacre, Candace H	Recess until 10:50.
10:37:39 AM	Session Paused	
10:45:55 AM	Session Resumed	
10:45:58 AM	Chairman Chandler Note: Sacre, Candace H	Back on the record in Case No. 2022-00099.
10:46:02 AM	Chairman Chandler Note: Sacre, Candace H	Mr. Bailey, something bring up? (Click on link for further comments.)
10:46:22 AM	Chairman Chandler Note: Sacre, Candace H	Next witness?
10:46:25 AM	Atty Bailey Southern Water District Note: Sacre, Candace H	Paula Burke.
10:46:39 AM	Chairman Chandler Note: Sacre, Candace H	Witness is sworn.
10:46:46 AM	Chairman Chandler - witness Burke Note: Sacre, Candace H	Examination. Name and address?
10:46:57 AM	Atty Bailey Southern Water District - witness Burke Note: Sacre, Candace H	Direct Examination. Relationship with Southern Water?
10:47:02 AM	Atty Bailey Southern Water District - witness Burke Note: Sacre, Candace H	How long employed at Southern?
10:47:05 AM	Atty Bailey Southern Water District Note: Sacre, Candace H	All I have.
10:47:16 AM	Staff Atty Kruthoffer PSC - witness Burke Note: Sacre, Candace H	Cross Examination. Mentioned earlier, office manager, explain what that entails, as office manager what are duties?
10:48:30 AM	Staff Atty Kruthoffer PSC - witness Burke Note: Sacre, Candace H	Ask specifically, one of issues surcharge account, my understanding you are person essentially in charge of maintaining account?
10:48:50 AM	Staff Atty Kruthoffer PSC - witness Burke Note: Sacre, Candace H	Explain duties are specifically related to surcharge account?
10:49:56 AM	Staff Atty Kruthoffer PSC - witness Burke Note: Sacre, Candace H	Making daily deposits now?
10:50:06 AM	Staff Atty Kruthoffer PSC - witness Burke Note: Sacre, Candace H	As of this month and clarify, previously be one, two, three times a month?

10:50:12 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Anyone else at Southern that handles surcharge account?

10:50:34 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Describe process when determining how much needs to be transferred from general account into surcharge account?

10:51:14 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Sole person that makes decision when transfers occur?

10:51:34 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Since started new procedure this month, step by step what you do each day to figure out how much need to transfer for that day?

10:51:51 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Way doing now?

10:52:34 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H The employees make deposit or are you ultimately one who makes deposit?

10:52:44 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Done electronically?

10:52:47 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Actually go to the bank?

10:53:10 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H One particular guy, have a name?

10:53:20 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Anybody else besides Matt do that?

10:53:39 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H Examination. Why need key to night deposit?

10:54:06 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H Bank's box put in night deposit has bigger door that has to have a key?

10:54:22 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H Make deposit in bank bag that's locked?

10:54:27 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H Who in charge of taking information after putting into bag and locking bag?

10:54:49 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H So multiple deposits, deposit for each drawer each day?

10:54:55 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H How many drawers?

10:55:06 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H Could have three deposit slips in a given day?

10:55:15 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H When report was daily deposit be, total that day or each deposit slip report?

10:56:16 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H When make deposit in surcharge account?

10:56:28 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H When actually put money into surcharge account?

10:56:38 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H Go online each day?

10:57:01 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H Once a month, electronic transfer from main account to surcharge account?

10:57:25 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H Required put money into specific account and try to do on particular day each month but times when your account not have enough to put in surcharge?

10:57:46 AM Chairman Chandler - witness Burke
Note: Sacre, Candace H Additional after that date, after the day you intended to do transfer?

10:58:25 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Cross Examination (cont'd). Deposit, surcharge collected daily into general account?

10:59:16 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Find that more efficient to do daily?

10:59:38 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Aware of fact when Commission established surcharge account, required report amount billed, amount collected, and amount deposited, agree that always did not happen?

11:00:32 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Reason ask what getting every month copy of bank statement, information lacking, new form how much charged, how much collected, and how much deposited, make sense?

11:01:22 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Few months discuss with you as far as reporting transfer activity, bank statement from March 2022, one deposit on March 3 \$8,097.69 even though later response \$26,922 actually collected in surcharge, explain?

11:02:46 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Next one, April 2022, deposit on April 13 \$12,897.42, later reporting \$28,000 collected, answer be the same?

11:03:33 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Last month May 2022, four deposits made that month, \$53,342.94 deposited in that account, way above \$26-28,000 from my review, sound right?

11:04:26 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H \$26,579 collected, maybe two months, make up for previous months?

11:04:53 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Filed Response to Staff Request 9, Item 7, stated attempted transfer into surcharge account in the month immediately after funds being transferred, not happening on regular basis?

11:06:48 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Another answer in same request, does abide by standard procedure as detailed in this answer, no written procedures?

11:07:12 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Not always happen?

11:07:19 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Reduce procedures to writing?

11:07:40 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H In same Data Request, Item 4, October 14 2022, discrepancies for June and August of 2022 due to mistaken use of wrong data from Southern software?

11:10:56 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Specifically, what said, using numbers from transaction rate summary?

11:11:57 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Response, October 25, Staff Fourth Request, Item 4A, weather event costs, if you know, what affect incomplete

11:13:29 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Who better to answer question?

11:13:54 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H How Southern District fund the cost given damage coverage based on reimbursement basis with timing uncertain?

11:14:23 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Cross Examination. Sought CPCN work with/contract with software/hardware provider?

11:14:44 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Pay for services as far as assistance to help use software?

11:14:50 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Tell me how certain you are report using currently to do deposits into surcharge is capturing amount of surcharge collections during given time?

11:15:20 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Conversations with software provider, number that is right number, how certain what depositing every month is right number?

11:16:06 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Had conversations with folks with company explain what you need?

11:16:16 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Asked difference in two reports, transaction rate study and transaction report?

11:16:42 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Both reports give amount of money should be transferred into surcharge account?

11:16:59 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H But not return same number?

11:17:12 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H As post-hearing data request, ask confer with software company and confirm which report should be using?

11:17:13 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace H ASST GEN COUNSEL FREDERICK PSC - WITNESS BURKE
Note: Sacre, Candace H CONFIRM WITH SOFTWARE COMPANY WHICH REPORT SHOULD BE USING

11:17:38 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Have you seen form?

11:17:39 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Have you seen Order?

11:18:00 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Each clerk deposit every day?

11:18:37 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Accounting for it or are you actually depositing/transferring into surcharge account?

11:18:51 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Every business day should be deposit into account?

11:19:14 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Cross Examination (cont'd). Main payment never exact same amount, explanation?

11:19:43 AM Staff Atty Kruthoffer PSC - witness Burke
Note: Sacre, Candace H Paying whatever bill and write check for full amount?

11:19:50 AM Asst Gen Counsel Frederick PSC - witness Burke
Note: Sacre, Candace H Cross Examination. Receive actual statement from CoBank pay X amount by X date?

11:20:02 AM Chairman Chandler
Note: Sacre, Candace H Questions?

11:20:05 AM	Chairman Chandler - witness Burke Note: Sacre, Candace H	Examination. Who turn to if have question, who turn to at Southern this different, in accordance with loan covenants, amortization schedule?
11:20:50 AM	Chairman Chandler - witness Burke Note: Sacre, Candace H	Who at utility doing financial planning?
11:21:25 AM	Chairman Chandler - witness Burke Note: Sacre, Candace H	Not financial planners, understanding?
11:21:43 AM	Chairman Chandler - witness Burke Note: Sacre, Candace H	Reality, whether board has expertise in conjunction with board's accountant?
11:22:09 AM	Chairman Chandler Note: Sacre, Candace H	Next witness?
11:22:10 AM	Atty Bailey Southern Water District Note: Sacre, Candace H	Jeff Reed.
11:22:24 AM	Chairman Chandler Note: Sacre, Candace H	Witness is sworn.
11:22:29 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Examination. Name and address?
11:22:40 AM	Atty Bailey Southern Water District - witness Reed Note: Sacre, Candace H	Cross Examination. How employed?
11:22:49 AM	Atty Bailey Southern Water District - witness Reed Note: Sacre, Candace H	What is relation to Southern?
11:23:02 AM	Atty Bailey Southern Water District - witness Reed Note: Sacre, Candace H	Main point person for Southern Water at job?
11:23:11 AM	Chairman Chandler- witness Reed Note: Sacre, Candace H	Examination. Did I characterize incorrectly job of CPA in form of accountant?
11:23:23 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	After the fact?
11:23:25 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Where money went?
11:23:28 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Where revenues came in, where costs went out?
11:23:41 AM	Chairman Chandler Note: Sacre, Candace H	Questions?
11:23:44 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Cross Examination. Know not prepare alternative rate filing, tariff on file uses a one rate schedule, billing analysis broken down by meter sizes, aware if intentional decision by Southern?
11:24:53 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Should have asked Prater?
11:25:04 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Case No. 2022-00099, Response filed October 25, Response to request made on Sept 16, Fourth Request, Item 3A, attachment SWS-4-3A Line Aging Comparison to GL, Response indicated old delinquent receivables \$2,106,825.64?
11:26:11 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Of that amount, what amount is uncollectible?
11:27:01 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Examination. More than \$2 million in bad debt expense?
11:27:06 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	For utility with max three-and-a-half million dollars annual revenue?

11:27:12 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Got to be collected over number of years?
11:27:18 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Assume Southern not only client?
11:27:23 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Have anybody else that keeps uncollectibles on books for 20 years or ten years or even five years?
11:27:34 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Negative net income from own consultant showed by negative net income revenue requirement needed to increase rates about \$275,000, Staff said net income be down \$300,000, not include bad debt expense, right?
11:27:58 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	No write-off, what happens to net income if take bad debt expense and write off?
11:28:19 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Negatively impact net income?
11:28:23 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	For all these years, net income higher than probably should have been had written off bad debt expense in given year?
11:28:36 AM	Chairman Chandler Note: Sacre, Candace H	Questions?
11:28:41 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Cross Examination (cont'd). Arrangement where collect garbage fees/remit to county, explain how certain not used water revenues to pay Floyd County for garbage collection?
11:29:41 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Burke also testified occasionally not enough month in operating account to put into surcharge account what supposed, how be certain not case with garbage collection?
11:29:58 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Is a daily deposit?
11:30:06 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Question about long-term debt instrument taken out five trucks 2019, Annual Reports 2017-2021, bring up on screen, Page 39 of Annual Report, tell me if debt instrument identified same promissory note Prater testified about and rewritten couple of times?
11:30:45 AM	Via Presentation Activated	
11:31:09 AM	Via Presentation Deactivated	
11:31:16 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	When Southern took out loan in 2017, intent payable over six-year period?
11:31:18 AM	Via Presentation Activated	
11:31:30 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Because maturity date listed as November 17 2023?
11:32:02 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Amortization schedule for loan always based on six-year period?
11:32:20 AM	Asst Gen Counsel Frederick PSC - witness Reed Note: Sacre, Candace H	Agree same debt instrument appeared on every Annual Report through 2021?
11:32:34 AM	Via Presentation Deactivated	
11:32:38 AM	Asst Gen Counsel Frederick PSC Note: Sacre, Candace H	No further questions.

11:32:54 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Examination. Had conversation with board members about uncollectible expense?
11:33:07 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	What was reaction, more than \$2 million bad debt expense booked over how many years do you think?
11:33:09 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Served to make net income look better, impact of not acknowledging it, made net income look better than actually was in that given year?
11:33:51 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Can't afford to do it in one year?
11:33:57 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Going to lose two million, can't lose \$2,000,000 in a year for a utility that only brings in three-point-one, three-point-two?
11:34:09 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	What is good time period to write off bad debt?
11:34:36 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	How treat deposits, utility supposed to have deposit for customer or have waived deposit?
11:34:47 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	If leave and deposit still uncollectible and not turned over, use deposit to offset that amount?
11:35:07 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	About month's worth of usage?
11:35:15 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Some utilities turn water off and five days later book it, some that sell it 15-20 percent discount use to offset and then write off, Southern ever sold to collection agency?
11:35:41 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Know what actions utility takes to collect collectibles?
11:36:00 AM	Chairman Chandler - witness Reed Note: Sacre, Candace H	Not been part of your conversation up to now?
11:36:04 AM	Chairman Chandler Note: Sacre, Candace H	Questions?
11:36:15 AM	Chairman Chandler Note: Sacre, Candace H	Call Mr. Conley?
11:36:38 AM	Chairman Chandler Note: Sacre, Candace H	Witness is sworn.
11:36:43 AM	Chairman Chandler - witness Conley Note: Sacre, Candace H	Examination. Name and address?
11:36:54 AM	Atty Bailey Southern Water District - witness Conley Note: Sacre, Candace H	Direct Examination. Employment?
11:37:04 AM	Atty Bailey Southern Water District - witness Conley Note: Sacre, Candace H	What job duties consist of?
11:37:25 AM	Chairman Chandler Note: Sacre, Candace H	Questions?
11:37:35 AM	Staff Atty Kruthoffer PSC - witness Conley Note: Sacre, Candace H	Cross Examination. Refer you to 2020-00121, master meters, second annual progress report filed April 8 2022, recall?
11:38:09 AM	Staff Atty Kruthoffer PSC - witness Conley Note: Sacre, Candace H	At that time, understanding reviewing answers no meters installed as of April when file Annual Report?
11:38:21 AM	Staff Atty Kruthoffer PSC - witness Conley Note: Sacre, Candace H	Since filed in April, any meters installed?

11:38:30 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Plan when would begin, what is future of meter installation?

11:39:11 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Put on back burner?

11:39:26 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Have general timeframe when be accomplished?

11:39:57 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Examination. 4643 is highway?

11:40:30 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Easier when just refer to community or road?

11:40:37 AM Chairman Chandler
Note: Sacre, Candace H Questions?

11:40:39 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Cross Examination (cont'd). Ten meters planning be installed?

11:40:44 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H All same type meters?

11:40:58 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Realize not every installation go according to play, how long beginning to end install meter?

11:41:24 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Realistic, how long take all meters installed?

11:41:50 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Examination. Install new box for every one?

11:41:56 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Cross Examination (cont'd). Roughly within a year?

11:42:06 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Refer to another issue surcharge monitoring Brush Creek tank, response indicated leak detected in tank and repair scheduled during last week of May 2022, repair done yet?

11:44:13 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Warranty twenty-four months?

11:44:37 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H What was cost to do repair?

11:45:01 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Examination. What refurbishment cost?

11:45:25 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Tank restorations in 2021?

11:45:35 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H If do in 2023, extra \$100,000 not budgeted or in rates?

11:46:08 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Cross Examination (cont'd). \$200,000 just to refurbish it, not replace?

11:46:16 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H How much if replaced?

11:46:26 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Plan where money come from?

11:46:44 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Examination. Say they, mean the board?

11:46:50 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Cross Examination (cont'd). Questions asked about material, aware of any section of Southern made up of pipe not normally used for water?

11:47:25 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Know where they are?

11:47:40 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H What type of pipe in place?

11:47:51 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Have any idea how long been there?

11:48:03 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Examination. How many miles have?

11:48:34 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Engineer not paying attention what contractor putting in, probably cheaper?

11:48:59 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H When expect get a good feel for what system actually looks like, have good feeling?

11:50:02 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H When say state replace, pay you all to replace?

11:50:20 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Sign off on specs?

11:50:26 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Cross Examination (cont'd). Have any idea when take place doing actual repairs?

11:50:43 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Take a year or two to complete?

11:50:49 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Examination. Road widening part of particular project?

11:51:25 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Damage with draining tank, state damaged part of line?

11:51:51 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Ask first?

11:52:19 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Have pipe on low side of areas road breaking off?

11:52:37 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H When they fix it, if theirs, put on the right side of hill?

11:52:58 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Cross Examination (cont'd). Replacing lines, how much, what is budget get accomplished?

11:53:11 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H Examination. In the millions clearly, to replace lines and put in right place with nonelectrical conduit, right stuff approved for drinking water, just distributions system what is cost?

11:53:36 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H More than ten million?

11:53:38 AM Chairman Chandler - witness Conley
Note: Sacre, Candace H More than ten million with today's dollar?

11:54:02 AM Staff Atty Kruthoffer PSC - witness Conley
Note: Sacre, Candace H Cross Examination (cont'd). Explain to Commission what process in place to record water theft?

11:55:12 AM Asst Gen Counsel Frederick PSC - witness Conley
Note: Sacre, Candace H Cross Examination. What do when this occurred?

11:56:09 AM Asst Gen Counsel Frederick PSC - witness Conley
Note: Sacre, Candace H Those prosecutions during your tenure?

11:56:17 AM Asst Gen Counsel Frederick PSC - witness Conley
Note: Sacre, Candace H Past two years, how many prosecuted?

11:56:30 AM Asst Gen Counsel Frederick PSC - witness Conley
Note: Sacre, Candace H What is process you follow when somebody comes in and reports water theft?

11:57:10 AM	Asst Gen Counsel Frederick PSC - witness Conley Note: Sacre, Candace H	During Estill Bottom line relocation/replacement project and Wayland to Lackey, uncover theft doing that kind of work?
11:57:51 AM	Asst Gen Counsel Frederick PSC - witness Conley Note: Sacre, Candace H	If discovered on own, what would you do?
11:58:01 AM	Asst Gen Counsel Frederick PSC - witness Conley Note: Sacre, Candace H	Other than disconnecting, what collection procedures have now?
11:58:50 AM	Asst Gen Counsel Frederick PSC - witness Conley Note: Sacre, Candace H	When turned in second annual progress report, ordered one master meter, not arrived, not paid for, paid for now?
11:59:22 AM	Asst Gen Counsel Frederick PSC - witness Conley Note: Sacre, Candace H	Any additional master meters ordered?
11:59:32 AM	Asst Gen Counsel Frederick PSC - witness Conley Note: Sacre, Candace H	When plan to order next one?
12:00:00 PM	Staff Atty Kruthoffer PSC - witness Conley Note: Sacre, Candace H	Cross Examination (cont'd). Who county attorney?
12:00:14 PM	Staff Atty Kruthoffer PSC - witness Conley Note: Sacre, Candace H	Some county attorneys more receptive, any problems?
12:01:00 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	Examination. Not about getting money back for what took, about keeping them from going forward?
12:01:16 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	Question about inadequate infrastructure, wrong when put in begin with, how much operational issues caused by those situations wrong when started?
12:01:56 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	Got half is electrical conduit in or pipe and other half is wear and tear?
12:02:32 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	Have a project profile in for any sections have wrong pipe?
12:02:48 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	Melvin area?
12:02:59 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	Afraid some electrical conduit given color?
12:03:09 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	\$2.2 million cover all that?
12:03:39 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	Any placed on appropriate base?
12:04:04 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	What engineering firm using now?
12:04:11 PM	Chairman Chandler - witness Conley Note: Sacre, Candace H	Using before UMG came in?
12:04:51 PM	Chairman Chandler Note: Sacre, Candace H	Questions?
12:04:54 PM	Chairman Chandler Note: Sacre, Candace H	Witness excused.
12:05:03 PM	Chairman Chandler Note: Sacre, Candace H	Recalling any witnesses?
12:05:08 PM	Asst Gen Counsel Frederick PSC Note: Sacre, Candace H	Recall Prater.
12:05:13 PM	Chairman Chandler Note: Sacre, Candace H	Still under oath.

12:05:25 PM	Asst Gen Counsel Frederick PSC - witness Prater Note: Sacre, Candace H	Recross Examination. Application Southern filed in ARF case used billing analysis broken down by meter size but tariff on file is not, for all meter sizes, use of billing analysis intentional?
12:07:15 PM	Asst Gen Counsel Frederick PSC - witness Prater Note: Sacre, Candace H	Recap and tell me if wrong, has discussed and is plan to convert to different rate design based on meter size, but something to do after COSS in future case yet be filed unknown time?
12:07:39 PM	Asst Gen Counsel Frederick PSC - witness Prater Note: Sacre, Candace H	Board considered selling accounts receivable to collection agency?
12:08:11 PM	Asst Gen Counsel Frederick PSC - witness Prater Note: Sacre, Candace H	Has board discussed any other way approach/reduce level of bad debt?
12:09:31 PM	Asst Gen Counsel Frederick PSC Note: Sacre, Candace H	No further.
12:09:41 PM	Chairman Chandler Note: Sacre, Candace H	Anything take up before adjourn hearing? (Click on link for further comments.)
12:10:27 PM	Chairman Chandler Note: Sacre, Candace H	With nothing else, adjourned.
12:10:38 PM	Session Ended	

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