

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KNOX COUNTY)	
UTILITY COMMISSION FOR AUTHORIZATION)	
TO EXECUTE AN ASSISTANCE AGREEMENT)	
WITH THE KENTUCKY INFRASTRUCTURE)	CASE NO.
AUTHORITY AND FOR A CERTIFICATE OF)	2023-00003
PUBLIC CONVENIENCE AND NECESSITY TO)	
CONSTRUCT THE BARBOURVILLE)	
CONNECTION-KY 225 PROJECT)	

ORDER

On January 24, 2023, Knox County Utility Commission (Knox County Commission) filed an application for a Certificate of Public Convenience and Necessity (CPCN) for a proposed project to upgrade its connection to Barbourville Utility Commission by constructing a pump station and replacing the existing water main with larger pipes. The Commission, on its own motion, finds that a procedural schedule should be established for the orderly processing of this case. The procedural schedule is attached as Appendix A to this Order and is incorporated herein.

Further, the Commission finds that Knox County Commission shall respond to Commission Staff's First Request for Information, attached as Appendix B to this Order, on or before the date indicated in the request and shall respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

The Commission notes that Knox County Commission has waived hearing in this matter. However, in the event the Commission determines a hearing is necessary, Knox

County Commission shall comply with the hearing requirements stated herein. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001E, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held in the Richard Raff Hearing Room at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to data requests are expected to participate in person at a hearing.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A to this Order shall be followed. The schedule will be amended if any intervenors are joined to facilitate intervenor discovery.
2. On or before the date set forth in the procedural schedule, Knox County Commission shall file its responses to the Commission Staff's First Request for Information, attached to this Order as Appendix B.
3. Knox County Commission shall respond to additional requests for information propounded by Commission Staff as provided in those requests.
4. As set forth in 807 KAR 5:001E, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop

facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.

5. Any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

6. Any motion to intervene filed after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

7. Knox County Commission shall give notice of any scheduled hearing in accordance with the provisions set forth in 807 KAR 5:001E, Section 9(2). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov"; and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listing on the PSC website, psc.ky.gov." At the time the notice is mailed or publication is requested, Knox County Commission shall forward a duplicate of the notice and request to the Commission.

8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to

807 KAR 5:001E, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

10. Witnesses who sponsor schedules, testimony, or responses to data requests shall participate in person at any hearing scheduled in this matter.

11. Pursuant to KRS 278.360 and 807 KAR 5:001E, Section 9(9), a digital video recording shall be made of the hearing.

12. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

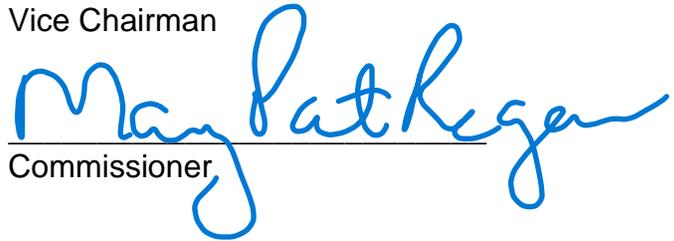
13. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

14. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00003 DATED JAN 30 2023

Last day for intervention requests to be accepted..... 02/06/2023

Knox County Commission shall file responses to initial requests for
information no later than..... 02/06/2023

Last day for Parties to request a Public Hearing or submit a
request for the matter be decided based upon the written record 02/23/2023

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00003 DATED JAN 30 2023

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KNOX COUNTY UTILITY COMMISSION

Knox County Utility Commission (Knox County Commission), pursuant to 807 KAR 5:001E, is to file with the Commission an electronic version of the following information. The information requested is due on February 6, 2023. The Commission directs Knox County Commission to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ 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 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.

Knox County Commission shall make timely amendment to any prior response if Knox County Commission obtains information that indicates the response was incorrect

¹ 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).

when made or, though correct when made, is now incorrect in any material respect. For any request to which Knox County Commission fails or refuses to furnish all or part of the requested information, Knox County Commission shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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, Knox County Commission shall, in accordance with 807 KAR 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Application, Exhibit 13. State the useful life for the equipment and facilities described in the bid tabulation.

2. Refer to Application, page 4, paragraph 9.

a. State the age, remaining useful life, accumulated depreciation, and remaining depreciation for existing water lines that will be abandoned or replaced under the proposed plan.

b. State the purpose of replacing the “2,100 linear feet of aging 3-inch and 4-inch water main.” (2,100 ft. main)

c. State the construction costs and operations & maintenance (O&M) costs associated just with the 2,100 ft. main replacement.

d. Provide the repair costs associated with the 2,100 ft. main in 2021.

3. Refer to Application, page 3, paragraph 7.
 - a. Provide copies of current water purchase agreements with Corbin City Utilities Commission, the city of Pineville, and Barbourville Utility Commission.
 - b. State the estimated percentage of total water requirements Knox County Commission expects to obtain from each of Corbin City Utilities Commission, the city of Pineville, and Barbourville Utility Commission after completion of the proposed project.
 - c. Provide copies of all communications with Corbin City Utilities Commission, the city of Pineville, and Barbourville Utility Commission regarding their ability to meet water volume demands for the proposed project or any alternative proposals.
 - d. Provide verification from Barbourville Utility Commission that it is willing and able to meet the water needs set forth in the proposed project.
 - e. State the maximum water volume (in gallons per minute) that is able to be drawn from each of Corbin City Utilities Commission, the city of Pineville, and Barbourville Utility Commission with existing connections.
 - f. State the pipe size of the connection to Corbin City Utilities Commission and the city of Pineville.
 - g. Describe any construction that would be necessary to upgrade the connection to each of Corbin City Utilities Commission and the city of Pineville to increase water volume in the same amount that the proposed project would increase water volume.
 - h. Explain how Knox County Commission determined which water purchase agreement to increase its water volume from.

4. Refer to Application, page 4, paragraph 10.
 - a. State the expected output (in gallons per year) of Knox County Commission's water treatment plant under the reduced usage plan.
 - b. Provide an itemized breakdown of the calculation of \$35,704 in savings resulting from reducing water treatment plant to one shift per day.
 - c. State the age, remaining useful life, accumulated depreciation, and remaining depreciation for the water treatment plant.
 - d. Identify all service disruptions caused by Cumberland River flooding since 2013, including dates their durations.
 - e. State whether Knox County Commission was able to obtain sufficient water via its water purchase agreements to prevent or shorten service disruptions identified in your response to 4(d) above.
 - f. Describe any "staffing problems" resulting from operator retirements, including efforts to hire operators and salary and benefits offered.
 - g. State your water treatment annual payroll expense:
 - (1) Prior to operator retirements;
 - (2) At present;
 - (3) Estimated under proposed project;
 - (4) Estimated if the plant were running at maximum capacity.
5. Refer to Application, page 5, paragraph 11.
 - a. State improvements necessary to continue operating the water treatment plant, their estimated cost, and their estimated date.

b. State whether Knox County Commission plans to retire the water treatment plant and obtain all water via water purchase agreements instead of making necessary improvements to the water treatment plant.

c. If Knox County Commission plans to retire the water treatment plant, state the expected retirement date and all estimated costs and savings associated with retirement.

d. State the maximum water production capacity of the water treatment plant.

e. State the current daily output of the water treatment plant.

f. Provide annual total water usage from 2013 to present.

6. Refer to Application, page 3, paragraph 9.

a. Explain how Knox County Commission determined what size pipe and what capacity pump station were necessary to achieve the desired increase in water volume from Barbourville Utility Commission.

b. Explain how Knox County Commission determined what percentage of its water should be obtained from Corbin City Utilities Commission, the city of Pineville, Barbourville Utility Commission, and Knox County Commission's water treatment plant.

c. Provide any documentation related to the determination described in your response to 6(a) and (b) above.

d. State the percentage of water volume obtained from each of Corbin City Utilities Commission and the city of Pineville in 2021 and under the proposed plan.

e. Identify any other methods of achieving the desired increase in water volume from Barbourville Utility Commission that were considered as alternatives to the proposed plan.

f. Identify any other combinations of increase or decrease in volume obtained via each water purchase agreement and Knox County Commission water treatment plant usage that were considered as alternatives to the proposed plan.

g. For any alternatives to the proposed plan identified in your responses to 6(e) and (f) above, provide:

- (1) Construction cost estimates;
- (2) Estimated water treatment plant savings;
- (3) Estimated O&M costs;
- (4) Any differences in useful lives of equipment from the proposed project.
- (5) Any documents referencing these alternatives.

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