

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF	)	
EDMONSON COUNTY WATER DISTRICT AND	)	
CAVELAND SANITATION AUTHORITY, INC.,	)	CASE NO.
D/B/A CAVELAND ENVIRONMENTAL	)	2026-00136
AUTHORITY FOR APPROVAL OF THE	)	
TRANSFER OF THE SEWER SYSTEM IN THE	)	
HILLTOP AREA	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO CAVELAND SANITATION AUTHORITY, INC., D/B/A CAVELAND
ENVIRONMENTAL AUTHORITY

Caveland Sanitation Authority, Inc., d/b/a Caveland Environmental Authority (Caveland), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on October 2, 2026. The Commission directs Caveland 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

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).

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.

Caveland shall make timely amendment to any prior response if Caveland obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Caveland fails or refuses to furnish all or part of the requested information, Caveland 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, Caveland 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 the Application, page 7, Item 28. Explain how Caveland can operate the sewer system that serves 57 residential customers in the Hilltop area (Hilltop)

more efficiently than Edmonson County Water District (Edmonson District) previously has.

2. Refer to the Application, page 6, Item 21; page 7, Item 25; and Exhibit B, Asset Purchase Agreement:

a. Explain in detail, including examples, how Caveland has the financial ability to acquire Edmonson District's sewer assets.

b. Explain what anticipated impact, if any, paying \$68,900 to Edmonson District for the sewer service assets serving Hilltop customers will have on the current and future financial health of Caveland.

c. Provide the anticipated current and future financial impact that providing sewer services to Hilltop customers will have on the financial health of Caveland.

d. Explain what the anticipated annual operating and maintenance costs would be for operating the Hilltop system.

3. Refer to the Application, page 7, Item 25. Explain in detail, including examples, how Caveland has the technical ability to continue to provide reasonable sewer services to the Hilltop customers.

4. Refer to the Application, page 7, Item 25. Explain in detail, including examples, how Caveland has the managerial ability to continue to provide reasonable sewer services to the Hilltop customers.

5. Explain whether there would be any anticipated disruption in sewer services to the Hilltop customers due to the proposed transfer.

6. Explain any anticipated benefits the Hilltop customers would realize due to the proposed transfer.

7. Refer to the Application, Exhibit B, Schedule 2.

a. Provide the fair market value (FMV) for each of the listed Assets proposed to be transferred.

b. Confirm an independent appraisal was performed upon some, or all, of the listed Assets. If confirmed, provide a copy of the appraisal report and identify the valuation methodology used.

c. Provide the net book value of each of the listed Assets proposed to be transferred, as of the most recent practicable date prior to closing.

8. State whether Caveland has identified any system improvement projects that are needed in the Edmonson District sewer system. If any system improvements projects have been identified, explain each project and the expected cost.



Justin McNeil
Executive Director
Public Service Commission
211 Sower Blvd.
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DATED SEP 17 2026

cc: Parties of Record

Service List for Case 2026-00136

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