COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH EASTERN WATER ASSOCIATION, INC. FOR A RATE ADJUSTMENT PURSUANT TO 807 KAR 5:076	))))	CASE NO. 2026-00233

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

South Eastern Water Association (South Eastern Water), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on December 8, 2026. The Commission directs South Eastern Water to the Commission's July 22, 2021 Order in Case No. 2020-00085[1] 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

[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).

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 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 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 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, 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 Staff's First Request for Information (Staff's First Request), Item 5b, 5_SEWA_Staff.xlsx, row 13, Employee 7.

a. Provide the most recent update involving the search for an employee to fill the vacant position, including any projected hire date.

b. Provide the starting wage for the position.

2. Refer to South Eastern Water's Response to Staff's First Request, Item 3c, 3_c_PSC_UTILITY_EXPENSE_ACCOUNTS.xlsx. In the response, South Eastern Water provided a reconciliation for the General Ledger Accounts and the Operating Expenses, but it did not provide a reconciliation for the Revenues or the non-operating Expenses.

3. Refer to the Application, Attachment 4, SAO. Also refer to South Eastern Water's Response to Staff's First Request, Item 3c, 3_c_PSC_UTILITY_EXPENSE_ACCONTS.xlsx, rows 22 thru 24. In the SAO the Materials and Supplies is recorded as $73,032, however the expense accounts records materials and supplies as $82,795. Reconcile and explain the difference.

4. Refer to South Eastern Water's response to Staff's First Request, Item 3a, 3_a_GL_DetailReport_2025.xlxs, account 4535 Operations supplies, rows 6,126 through 6,302. For each transaction in the table below:

Materials & Supplies

Date	Reference	Description	Amount
03/31/2025	AP-000059	CITGO WATER /IN: MARCH	$ 10,972.92
04/30/2025	AP-000066	CITGO WATER /IN: APRIL 2025	6,908.64
06/30/2025	AP-000083	CORE & MAIN LP /IN: JUNE	3,366.88
11/30/2025	AP-000111	CORE & MAIN LP /IN: NOV 2025	12,957.29

a. Provide copies of each invoice.

b. Provide an explanation of the business purpose of each item.

c. State whether each item should have been capitalized, and if so, provide the appropriate NARUC depreciation life for each.

5. Refer to South Eastern Water's Response to Staff's First Request, Item 3a, 3_a_GL_DetailReport_2025.slsx, Account 4107 Meter Set Fees, Rows 5715 through

5742. Confirm account 4107 is the new meter tap fees collected. If not, explain the type of transactions recorded to the account.

6. Refer to the Application, Attachment 4, SAO. Also refer to South Eastern Water's Response to Staff's First Request, Items 4 and 19, 19_Code_Summary_Report.pdf. In the Code Summary Report, South Eastern Water reported $90,264 in Penalties that were collected during the test year. However, Item 4 states the other water revenues totaling $406,372 is composed of membership fees, sales taxes collected, utility tax collected, service charges, meter fees, reconnect fees, and customer bad debts collected, but it does not include late fees. Identify where in the SAO late fees are recorded.

7. Refer to South Eastern Water's Response to Staff's First Request, Item 20, 20_NRC_occurences.pdf. Also refer to South Eastern Water's Tariff, P.S.C. Ky. No. 2, Sheet No. 5. Explain why the $26.50 recorded for one Meter Test Request Charge occurrence exceeded the Meter Test Request Charge amount of $16.80 in South Eastern Water's tariff.

8. Refer to South Eastern Water's Application, Attachment_12_SEWA_Rate_Study, ExBA Tab, Cells H7:H11. Also refer to South Eastern Water's Annual Report for the year 2025. South Eastern Water's Current Billing Analysis states that Net Sales are $4,991,566, while the 2025 Annual Report reports Total Sales of Water of $5,181,248, which results in an adjustment of $(189,682). Explain the cause of this difference.

9. Refer to South Eastern Water's response to Staff's First Request, Item 13, which shows the estimated rate case expense increasing from $9,335 to approximately $30,000.

a. Provide an itemized schedule of rate case expenses incurred to date, identifying the service provider, services performed, amount billed, and amount paid. Provide supporting invoices.

b. Provide an itemized estimate of remaining expenses and explain the basis for the estimate.

c. Provide any quotes for the increased expense.

10. Refer to the Application, Attachment 4, SAO, Contractual Services—Legal, and South Eastern Water's response to Staff's First Request, Item 3a, Account 5130, Legal and Professional Expense, which records $59,461.15 during the test year.

a. Provide an itemization by service provider and matter, identifying the nature of the service provided and the amount attributable to each matter.

b. Identify any reimbursement received or expected from insurance or another source for these expenses and explain how the reimbursement is reflected in the SAO.

Justin McNeil
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601-8294

DATED NOV 17 2026

cc: Parties of Record

Service List for Case 2026-00233

* Morris Vaughn
South Eastern Water Association, Inc.
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Somerset, KY 42501

* South Eastern Water Association, Inc.
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Somerset, KY 42501

* Mona Taylor
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* Denotes served by Email