

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WATER SERVICE)
CORPORATION OF KENTUCKY FOR A) Case No. 2015-00382
GENERAL RATE ADJUSTMENT IN)
EXISTING RATES)

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Supplemental Requests for Information to Water Service Corporation of Kentucky ("WSCK") to be answered under oath and by the date specified in the Commission's Order of Procedure, and in accord with the following instructions:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness (es) who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Joint Applicants with an electronic version of these data requests, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and

caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide all spreadsheets used in responses to these requests for information in excel format with all cells unlocked and functional.

(14) The Attorney General reserves the right to pose additional preliminary data requests on or before the due date specified in the Commission's procedural schedule.

1. Reference: Attachment to Staff DR 1.1. The customer data use the following codes in the "RS_CD" column:

- a. 345CHYMN
- b. 345CHYPV
- c. 345CSPPV
- d. 345CWCOM
- e. 345CWMLT
- f. 345CWRES
- g. 345GHYD
- h. 345HYD
- i. 345IHYD
- j. 345MWCOM
- k. 345MWGOV
- l. 345MWIN2
- m. 345MWIND
- n. 345MWRES
- o. 345SPRN

Please state what "RS_CD" stands for and for each code, please describe the classification in words (for example, Residential in Middlesboro)

2. Reference: Attachment to Staff DR 1.1. The customer data use the following codes in the "DST_ID" column:

- a. FRP PUB
- b. WTR COM
- c. WTR IND
- d. WTR MFD
- e. WTR PA
- f. WTR RES

Please state what "DST_ID" stands for and for each code, please describe the classification in words (for example, Residential Water customer).

3. Please confirm that neither existing nor proposed rates differ by customer class (Residential, Commercial, etc.). If this is not confirmed, please state in detail how rates differ by customer class and provide tariff sheets showing the differences.

4. Reference: Notice of Proposed Increase for Middlesboro. Please describe with specificity how the "Avg. Usage" column was calculated for each meter size. If the data provided in response to Staff DR 1.1 and/or the data in Schedule D were used in the calculation, please state specifically which column(s) and/or row(s) of data were used in the calculation. If the data provided in response to Staff DR 1.1 and Schedule D were not used in the calculation, please provide the data that were used in an electronic format readily useable in Microsoft Excel.

5. Reference: Notice of Proposed Increase for Middlesboro. Why is the Company proposing an average bill increase of less than 1% for customers with 4-inch meters when all other meter sizes have average increases ranging from 22.48% to 32.38%? Please provide any studies, analyses, memoranda, or other documents specifically discussing the effects of the proposed rate design on customers with 4-inch meters.
6. Reference: Notice of Proposed Increase for Clinton. Please describe with specificity how the "Avg. Usage" column was calculated for each meter size. If the data provided in response to Staff DR 1.1 were used in the calculation, please state specifically which column(s) of data were used in the calculation. If the data provided in response to Staff DR 1.1 were not used in the calculation, please provide the data that were used in an electronic format readily useable in Microsoft Excel.
7. Reference: Schedule D (Revised). Please describe with specificity how the billing units in Schedule D are derived from the attachment to Staff DR 1.1.
8. Reference: w/p [t-1]. It appears that in calculating present customer charge revenues on this workpaper, all bills for Middlesboro and Clinton were priced at the present rates for Middlesboro. Please review this workpaper for accuracy and provide a corrected version of this page and any other pages of the COSS workpapers that change as a result (in both PDF and a revised Excel file, replacing the file provided in response to Staff DR 1.3).
9. Reference: w/p [t-3]. What is the basis for allocating Intangible Plant 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of intangible plant in this manner.
10. Reference: w/p [t-3]. What is the basis for allocating Source of Supply plant 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of source of supply plant in this manner.
11. Reference: w/p [t-3]. What is the basis for allocating Pumping Plant 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of pumping plant in this manner.
12. Reference: w/p [t-3]. What is the basis for allocating Water Treatment Plant 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of water treatment plant in this manner.
13. Reference: w/p [t-3]. What is the basis for allocating Mains 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of mains in this manner.

14. Reference: w/p [t-3]. What is the basis for allocating Hydrants 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of hydrants in this manner.
15. Reference: w/p [t-3]. What is the basis for allocating Storage plant 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of storage plant in this manner.
16. Reference: w/p [t-3]. What is the source of the 40% fixed and 60% variable figures used in this workpaper?
17. Reference: w/p [t-4]. What is the basis for allocating Pumping Expenses 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of pumping expenses in this manner.
18. Reference: w/p [t-4]. What is the basis for allocating Water Treatment Expenses 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of treatment expenses in this manner.
19. Reference: w/p [t-4]. What is the basis for allocating Mains Expenses 40% fixed and 60% variable? Please provide references to any ratemaking manuals or treatises that the Company considers to be authoritative that support the allocation of mains expenses in this manner.
20. Reference: w/p [t-4]. What is the source of the 40% fixed and 60% variable figures used in this workpaper?
21. Reference: w/p [t-5]. There appears to be an error in the formulas calculating Equivalent Services. Please confirm that the number of Equivalent Meters and Equivalent Services should be the same for each customer class, and provide a corrected version of this page and any other pages of the COSS workpapers that change as a result (in both PDF and a revised Excel file, replacing the file provided in response to Staff DR 1.3).
22. Reference: w/p [t-5]. Do any customers share a service line with one or more other customers? If so, please provide a corrected calculation of the number of services for each customer class on this workpaper.
23. Reference: Direct Testimony of Brian N. Halloran, p. 15, lines 6-12. Did the Company perform any analysis to determine the cost of service separately for the Middlesboro and Clinton service areas? If so, please provide all such analyses. If not, why not?
24. Reference: Direct Testimony of Brian N. Halloran, p. 16, line 8 through p. 17 line 2. Did the Company perform any analysis to determine if there was a cost justification for having tiered consumption rates? If so, please provide all such analyses. If not, why not?

25. Reference: Direct Testimony of Brian N. Halloran, p. 17 line 3 through p. 18 line 8. Did the Company perform any analysis of the impact on customers' bills for customers other than the average or typical customer of each meter size? If so, please provide all such analyses. If not, why not?
26. Reference: Exhibit 7. Do the data in the Usage Table represent actual test period consumption or adjusted test period consumption?
27. Please provide the C.V. of all individuals providing direct testimony on behalf of WSCK.
28. Provide a description and dollar amount for the three largest expense increases – in order from greatest to least –WSCK has incurred since their last general rate case.
29. What is the uncollectable rate WSCK used to calculate uncollectible expense? How did WSCK determine this was the appropriate rate to use?
30. Since the last WSCK general rate case, what additional steps has WSCK taken to limit uncollectable accounts?
31. Please identify the members of WSCK's board of directors.
32. Please provide board of directors meeting minutes for any meetings where discussion and approval of the application to seek a rate increase were discussed.
33. For each member of the WSCK board of directors
 - a. Indicate whether the director also serves as a director or an officer of Utilities, Inc., or a Utilities, Inc., subsidiary; and,
 - b. If applicable, identify the corresponding affiliate and position held.
34. Please identify the officers of WSCK.
35. Please itemize all costs charged to WSCK by the Service Company in each of the past three years. For each year, please separately identify the costs that were a) directly charged to WSCK and b) allocated to WSCK based on a common allocation factor.
36. Provide the percentage of salary and wage increases granted in each of the last three years, as well as the dates of any such increases. Please provide this information separately for union and non-union personnel, if applicable.
37. Provide the number of WSCK employee positions, by department, authorized and the actual number of employees for each month from January 2013 through the latest date available.
38. Provide water loss annual totals and rates.
39. Provide water loss reduction plan.

40. For each of the past three WSCK rate case filings, provide:
 - a. the amount of the increase requested,
 - b. the percentage increase requested,
 - c. the amount of increase granted,
 - d. whether the case was litigated or settled,
 - e. the total rate case costs incurred, and
 - f. the effective date of new rates.

41. Provide a copy of all contracts with consultants or other third parties for rate case services claimed in this filing.

42. Please provide copies of all Requests for Proposal issued by or on behalf of WSCK with regard to the provision of rate case services in this case.

43. For each of the past three years, please provide:
 - a. the capital budget as approved by the Board of Directors,
 - b. the actual capital expenditures.

44. For each of the three five years, please provide:
 - a. actual plant-in-service additions,
 - b. actual retirements

45. For all amortizations included in the Company's claim, please provide
 - a. a description of the cost,
 - b. the total costs incurred,
 - c. the amortization period being used,
 - d. a cite to the PSC order authorizing recovery, if applicable,
 - e. the date when the amortization began,
 - f. the amount recovered to date, and
 - g. the amount recovered by the end of the Test Year.