

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WILLIAM C. HILL)	
)	
COMPLAINANT)	CASE NO.
)	2017-00316
v.)	
)	
MUHLENBERG COUNTY WATER DISTRICT)	
)	
DEFENDANT)	

WILLIAM C. HILL’S
INITIAL REQUEST FOR INFORMATION
TO MUHLENBERG COUNTY WATER DISTRICT

Comes now William C. Hill (“William Hill”), by counsel, pursuant to the July 9, 2018 Order of the Kentucky Public Service Commission (“Commission”), and hereby propounds the following Requests for Information upon Muhlenberg County Water District (“MCWD”) to be answered by August 8, 2018, and in accordance with the following instructions:

I. DEFINITIONS AND INSTRUCTIONS

1. With respect to each discovery request, all information is to be divulged that is within the knowledge, possession or control of the parties to whom it is addressed, including their agents, employees, advisors, consultants, attorneys and/or investigators.
2. Please identify the witness(es) who will be prepared to answer questions concerning each request.
3. 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.

4. All answers must be separately and fully stated in writing under oath.

5. Where a Request for Information calls for an answer in more than one part, each part should be separated in the answer so that the answer is clearly understandable.

6. For purpose of these discovery requests, the following terms shall have meanings set forth below:

- (a) As used herein, “document,” “documentation” and/or “record,” whether stated as the singular or the plural, means any course of binders, book, pamphlet, periodical, letter, correspondence, memoranda, including but not limited to, any memorandum or report of a meeting or telephone or other conversation, invoice, account, credit memo, debit memo, financial statement, general ledger, ledger, journal, work papers, account work papers, report, diary, telegram, record, contract, agreement, study, draft, telex, handwritten or other note, sketch, picture, photograph, plan, chart, paper, graph, index, tape, data processing card, data processing disc, data cells or sheet, check acceptance draft, e-mail, studies, analyses, contracts, estimates, summaries, statistical statements, analytical records, reports and/or summaries of investigations, opinions or reports of consultants, opinions or reports of accountants, trade letters, comparisons, brochures, pamphlets, circulars, bulletins, notices, forecasts, electronic communication, printouts, all other data compilations from which information can be obtained (translated if necessary by MCWD into usable

form), any preliminary versions, drafts or revisions of any of the foregoing, and/or any other written, recorded, transcribed, punched, taped, filmed or graphic matter, however produced or reproduced and regardless of origin or location, in the possession, custody and/or control of the defendant and/or their agents, accountants, employees, representatives and/or attorneys. "Document" and "record" also mean all copies of documents by whatever means made, if the copy bears any other markings or notations not found on the original.

- (b) The terms "relating to," "referring to," "referred to," "pertaining to," "pertained to" and "relates to" means referring to, reporting, embodying, establishing, evidencing, comprising, connected with, commenting on, responding to, showing, describing, analyzing, reflecting, presenting and/or constituting and/or in any way involving.
- (c) The terms "and," "or," and "and/or" within the meaning of this document shall include each other and shall be both inclusive and disjunctive and shall be construed to require production of all documents, as above-described, in the broadest possible fashion and manner.
- (g) To "identify" shall mean:
 - (1) With respect to a document, to state its date, its author, its type (for example, letter, memorandum, chart, photograph, sound reproduction, etc.), its subject matter, its present location, and the name of its present custodian. The document may be produced in lieu of supplying the foregoing information. For each document

which contains information as privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.

(2) With regard to a natural person, to state his or her full name, last known employer or business affiliation, title and last known home address.

(3) With regard to a person other than a natural person, state the title of that person, any trade name, or corporate name or partnership name used by that person, and the principal business address of that person.

(h) To “produce” or to “identify and produce,” shall mean that MCWD shall produce each document or other requested tangible thing. For each tangible thing which MCWD contends is privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.

II. REQUESTS FOR INFORMATION

1. Please provide a copy of all documents that MCWD intends to use, and please identify each witness MCWD intends to present, at the hearing on the merits in this matter.

2. Please provide the name and business address of each individual who was involved in the preparation of responses to these Requests for Information.

3. Please provide a copy of all workpapers prepared in conjunction with or used to support MCWD's Answer and/or any response to a request for information propounded by either Mr. Hill or the Commission/Commission Staff.

4. Please provide a copy of all correspondence, e-mails, texts, memoranda, agreements, notes and similar documents between or involving MCWD and Todd County Water District ("TCWD") concerning the extension of service at issue in this matter.

5. Please provide the date, content, and participants of any oral communications between or involving MCWD and TCWD concerning the extension of service at issue in this matter.

6. Please provide a copy of all correspondence, e-mails, texts, memoranda, agreements, analyses, notes and similar documents prepared, obtained or received by MCWD, its Board members, its employees, or its agents concerning the extension of service at issue in this matter.

7. Please provide a copy of all resolutions, meeting minutes, notes, or other documents prepared or reviewed by MCWD's Board of Commissioners that contain reference to, or any information relevant to, Mr. Hill or water service to the subject property.

8. Other than its tariff, please provide a copy of all MCWD policies, rules, directives or other documents that govern or relate to extensions of water service to prospective residential

customers.

9. Other than its tariff, please provide a copy of all MCWD policies, rules, directives or other documents that govern or relate to extensions of water service to prospective subdivisions.

10. Please generally describe MCWD's distribution system, including but not limited its age, value of plant in-service, miles of water lines, and number of customers served.

11. How many gallons of water are consumed by the average MCWD residential customer each month? Please identify the inputs and calculations utilized to determine this figure.

12. What is the amount of the bill for the average MCWD residential customer each month? Please identify the inputs and calculations utilized to determine this figure.

13. For each of the past three (3) calendar years, please identify how many gallons of water MCWD has flushed from its lines due to insufficient water usage/turnover.

14. What was MCWD's unaccounted-for water loss rate for calendar year 2017? Please identify the inputs and calculations utilized to determine this figure.

15. Please provide a detailed map of MCWD's distribution system reflecting the location of all MCWD lines, the sizes of those lines, and the meters on those lines.

16. Has MCWD examined or determined what benefits could be expected to result from the development of the subject property (specifically including, but not limited to, additional revenues for MCWD, additional plant/assets for MCWD, and additional revenue for the county), in both the short-term and long-term? Please discuss in detail and provide any documents which reflect a cost-benefit analysis conducted by MCWD.

17. How does MCWD determine which of its lines to flush, how often to flush them, and how much to flush?

(a) Please provide a copy of all MCWD policies, rules, directives or other

documents that govern or relate to flushing of water lines.

- (b) Please identify and describe in detail any statutes or regulations MCWD contends may require the flushing of the proposed line at issue in this matter.
- (c) How often does MCWD anticipate it will be legally required to flush the proposed line at issue in this case? Explain the basis for that determination.

18. With respect to the development known and referred to during the course of this matter as Deepwater Estates (located east of Mr. Hill's property on the south side of Lake Malone):

- (a) Please confirm that the contract of May 1, 2006, by and between MCWD and TCWD and of record with the Commission, pertains to Deepwater Estates.
- (b) Please describe the length and size of the water line extensions utilized to serve Deepwater Estates. To the extent not otherwise provided, please provide maps and/or plans reflecting the water lines that serve Deepwater Estates and the location of meters within Deepwater Estates.
- (c) Are all or some of the water lines that serve Deepwater Estates located on private roads?
- (d) Did MCWD obtain easements or rights-of-way for all lines it owns in connection with its service to Deepwater Estates?
- (e) Please provide a copy of all records and other documents reflecting MCWD's flushing practices during the first five (5) years of the development of Deepwater Estates.
- (f) Confirm that TCWD paid for the master meter utilized to serve Deepwater Estates.

19. With respect to the development known and referred to during the course of this

matter as Malone Meadows (located east of Mr. Hill's property on the north side of Lake Malone):

- (a) Please describe the length and size of the water line extensions utilized to serve Malone Meadows. To the extent not otherwise provided, please provide maps and/or plans reflecting the water lines that serve Malone Meadows and the location of meters within Malone Meadows.
- (b) Are all or some of the water lines that serve Malone Meadows located on private roads?
- (c) Did MCWD obtain easements or rights-of-way for all lines it owns in connection with its service to Malone Meadows?
- (d) Please provide a copy of all records and other documents reflecting MCWD's flushing practices during the first five (5) years of the development of Malone Meadows.

20. With respect to MCWD's service to property believed to be owned by Mr. Rocky Cisney on Frank Lane/Rosewood (located just north of Mr. Hill's property on the north side of Lake Malone):

- (a) Please provide a copy of all agreements, correspondence, and other documents by and between MCWD and Mr. Cisney relevant to MCWD's extension of service to Mr. Cisney's property.
- (b) Please describe the length and size of the water line extension(s) utilized to serve Mr. Cisney's property. To the extent not otherwise provided, please provide maps and/or plans reflecting the water lines that serve Mr. Cisney and the location of the meter(s) utilized to serve Mr. Cisney.
- (c) Who constructed the water line(s) that serves Mr. Cisney's property and when

was it constructed?

- (d) Who paid for the construction of the water line(s) that serves Mr. Cisney's property?
- (e) Who owns the water line(s) that serves Mr. Cisney's property?
- (f) Is the water line(s) that serves Mr. Cisney's property located on a private road?
- (g) Please identify and provide any and all easements or rights-of-way obtained by MCWD in connection with its service to Mr. Cisney's property.
- (h) Did MCWD require Mr. Cisney to provide a plat or other evidence of a proposed subdivision prior to extending its system to serve Mr. Cisney? If so, please explain in detail and describe and provide a copy of any such plat or other evidence.
- (i) Please provide a copy of all records and other documents reflecting MCWD's flushing practices during the past five (5) years relevant to Mr. Cisney's property.
- (j) Has MCWD required, and does it presently require, Mr. Cisney to pay costs related to flushing the line(s) that serves his property?

21. Please identify the legal and engineering costs MCWD has incurred, and is expected to incur, in connection with this matter.

22. Please refer to MCWD's Answer, paragraph 4.

- (a) Please identify, describe and produce any and all documents relevant to or reflecting MCWD's consent to TCWD's provision of water service to areas within MCWD's territory (specifically including, but not limited to, the six (6) households referenced in MCWD's Answer).

- (b) Is one or more maps identifying the territory served by MCWD on file with the Commission? If so, please provide such map(s).

23. Please identify and describe each private water line not constructed by MCWD that MCWD has assumed or acquired ownership of during the past ten (10) years.

- (a) Please describe in detail the process, if any, by which MCWD obtained the approval of relevant authorities (*e.g.*, the Kentucky Division of Water) to utilize such lines in connection with the service it provides to the public.

24. With respect to each member of the MCWD Board of Commissioners during the past five (5) years, please provide:

- (a) his or her name and title;
- (b) term and tenure information; and
- (c) records of any training received during the past five (5) years.

25. Please refer to the letter dated August 25, 2016, bearing the signature of MCWD Chairman Mr. Bobby Mayhugh and attached to Mr. Hill's Complaint in this matter.

- (a) Who was involved in the drafting of this letter?
- (b) Was this letter or its contents discussed or approved by the MCWD Board? If so, describe the date, content, and participants of any such discussion or approval and provide any documents related thereto.
- (c) Please provide all information and documents reviewed or relied upon in preparing this letter.
- (d) At the time this letter was sent, had MCWD and TCWD discussed and determined the terms by which MCWD would acquire water from TCWD to serve the proposed extension? If so, please describe those terms and provide

any relevant documents.

- (e) At the time this letter was sent, had MCWD determined that TCWD had the facilities (including, but not limited to, quantity and quality of water) necessary to effectuate the extension of service to Mr. Hill's property described in the letter?
- (f) In the letter's third paragraph, it states, "[t]he Todd County Water District currently supplies water to Muhlenberg County for other houses in that area." Please identify the houses referenced and the terms by which TCWD supplied or supplies such water to MCWD.
- (g) Please identify and describe in detail the legal basis for the requirement in Mr. Mayhugh's letter that Mr. Hill must "pay up front the cost for 47 water bases for the meters ultimately to be installed for each residence that may be developed on the property."
- (h) Please identify and describe in detail the legal basis for the requirement in Mr. Mayhugh's letter that "[a]ll 47 water services will have to be installed within a period of 12 years," and that "[a]fter 12 years any lot that is not built upon will no longer have the benefit of the pre-paid services."
- (i) Please identify and describe in detail the basis for the statement in Mr. Mayhugh's letter that "[t]his Muhlenberg County Water District believes 12 years is a reasonable period of time for the 47 homes to be constructed."
- (j) Please identify and describe in detail the legal basis for the requirement in Mr. Mayhugh's letter that MCWD will "... need to charge \$239.50 to Bill Hill [each month] until the meters start being used."

26. Please identify the number of customers MCWD has presently in the following subdivisions developed by Mr. Hill in Muhlenberg County: North Woods, North Woods Addition One, North Woods Addition Two, Millpond Subdivision (on Nebo Cemetery Road), and Sherwood Meadows Subdivision (off Sherwood Point Lane).

27. With respect to the rates charged by MCWD:

- (a) Are the rates designed to capture or reflect the cost of purchased water?
- (b) Are the rates charged designed to capture or reflect the cost of water not sold as a result of flushing?
- (c) What other costs are the rates charged by MCWD designed to capture or reflect?
- (d) Does the cost to MCWD to serve a customer increase the further a customer is from the source of the water supply? What other factors may influence the cost to MCWD to serve a particular customer? Please explain in detail.

Dated this 16th day of July, 2018.

Respectfully submitted,



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CERTIFICATE OF SERVICE AND FILING

The undersigned certifies that the foregoing is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on July 16, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and one (1) copy in paper medium of this document will be filed with the Commission within two (2) business days of the electronic filing.

The undersigned further certifies that, in accordance with 807 KAR 5:001, Section 4(8), this document is being provided this same date via electronic mail to:

Hon Damon R. Talley
Hon. Mary Ellen Wimberly
Hon. Gerald E. Wuetcher
Stoll Keenon Ogden PLLC
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This 16th day of July, 2018.



Counsel for Complainant