

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC PROPOSED)
ADJUSTMENT OF THE WHOLESALE) CASE NO. 2017-00417
WATER SERVICE RATES OF)
LEBANON WATER WORKS)**

FIRST REQUEST FOR INFORMATION TO MARION COUNTY WATER DISTRICT FILED BY LEBANON WATER WORKS COMPANY

Pursuant to the Public Service Commission’s (“Commission”) Order of March 19, 2018, Lebanon Water Works Company (“Company”) respectfully submits the following requests for information to Marion County Water District (“Marion District”), to be answered no later than June 4, 2018.

Instructions

1. As used herein, “Documents” include all correspondence, memoranda, notes, emails, maps, drawings, surveys or other written or recorded materials, whether external or internal, of every kind or description in the possession of, or accessible to, Marion District, its witnesses, or its counsel.
2. Please identify by name, title, position, and responsibility the person or persons answering each of these data requests.

3. These requests shall be deemed continuing so as to require further and supplemental responses if Marion District receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted herein.

4. To the extent that the specific document, work paper, or information as requested does not exist, but a similar document, work paper, or information does exist, provide the similar document, work paper, or information.

5. To the extent that any request may be answered by a computer printout, spreadsheet, or other form of electronic media, please identify each variable contained in the document or file that would not be self-evident to a person not familiar with the document or file.

6. If Marion District objects to any request on the ground that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel as soon as possible.

7. For any document withheld on the ground 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.

8. In the event any document requested has been destroyed or transferred beyond the control of Marion District, its counsel, or its witnesses, 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 such a document was destroyed or transferred by reason of a document retention policy, describe in detail the document retention policy.

9. If a document responsive to a request is a matter of public record, please produce a copy of the document rather than a reference to the record where the document is located.

Request for Information

1. Provide a copy of all documents that you intend to use at the hearing.
2. Provide the name and business address of each individual involved in the preparation of responses to this Request for Information.
3. Provide all work papers and calculations that Charles M. White or Marion District used to develop Exhibits CMW 1 through 6. These work papers, calculations, and assumptions are to be in Excel spreadsheet format with all columns and rows unprotected and accessible.
4. Provide Mr. White's qualifications and resume.
5. List each case in which Mr. White has presented testimony to the Commission in either written or oral format.

6. Please describe Mr. White's involvement in the preparation of the application and exhibits in Marion District's most recent rate case (Case No. 2016-00163).

7. Has Mr. White ever performed a cost of service study for Marion District or any water utility or provider? If so, please provide the cost of service study.

8. Has Mr. White ever performed a cost of service study which focuses on the cost for the Company to provide water to Marion District? If so, provide the cost of service study.

9. Has Marion District ever had a cost of service study performed which focuses on the cost for the Company to provide water to Marion District? If so, provide the cost of service study.

10. Does Mr. White prepare audits for any municipally owned utilities or municipals providing water service?

(a) If so, has he prepared or assisted in the preparation of a capitalization policy for any municipal water providers?

(b) If Mr. White has prepared or assisted in the preparation of a capitalization policy, please provide the capitalization policy.

11. Does Mr. White prepare audits for any water districts other than Marion District?

(a) If so, has he prepared or assisted in the preparation of a capitalization policy for any of these water districts?

(b) If Mr. White has prepared or assisted in the preparation of a capitalization policy, please provide the capitalization policy.

12. Provide Marion District's capitalization policy.

13. Provide Marion District's annual report to the Commission for 2016.

14. Provide Marion District's audit report for 2016.

15. Provide Marion District's annual report to the Commission for 2017.

If the report is unavailable, please explain why it is unavailable.

16. Provide Marion District's audit report for 2017. If the report is unavailable, please explain why it is unavailable.

17. Confirm that Marion District has incurred no penalties or late fees from the Company in Fiscal Year ("FY") 2016, FY 2017, or the current FY 2018.

18. Provide the detailed depreciation schedule for Marion District for 2016.

19. Provide the detailed depreciation schedule for Marion District for 2017.

20. After the Commission issued its final order in Case No. 2016-00163, did Marion District continue to depreciate any in-service assets at the useful lives previously used by Marion District or did Marion District begin to use the new useful lives ordered by the Commission for all assets?

21. Refer to Exhibit CMW-1. Why was a three-year average used instead of the method typically used by the Commission to review known and measurable changes to the test year?

22. Refer to Exhibit CMW-2, Page 2 of 2.

(a) Refer to the “Total Gallons of Water Purchased by MCWD 2017.” Is 453,640,758 the total amount purchased by Marion District for the FY 2017 or Calendar Year 2017?

(b) Refer to the “Total Gallons purchased from LWWC.” Is 450,003,158 the amount purchased by Marion District from the Company for the FY 2017 or Calendar Year 2017?

(c) Refer to the “Total Gallons Sold by LWWC.” What period of time does this number refer to?

(d) Refer to the “Total Gallons Sold by LWWC.” What is the reference source that Marion District or Mr. White used to determine that the Company sold a total of 800,160,780 gallons?

23. Refer to Exhibit CMW-3.

(a) For each asset category, were all assets within the category set to the same useful life?

(i) For instance, was Asset Item 318 (“Emergency Power Generator”) identified on Page 2 of Exhibit CMW-4 and on Page 2 of Exhibit CMW-5 set to a useful life of 50 years?

(b) Why is “Communication Equipment” listed twice?

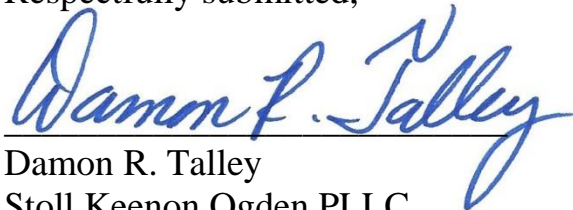
(c) Why was “Transportation Equipment,” which was identified on Page 8 of Exhibit CMW-4 and on Pages 8 and 9 of Exhibit CMW-5, not included in Exhibit CMW-3?

24. Refer to Exhibits CMW-4 and CMW-5. How were asset categories developed?

25. Refer to Exhibit CMW-6. Why was the expected decrease in variable costs related to projected savings at the Water Treatment Plant listed as \$58,551 instead of \$55,101 as identified on Exhibit CMW-2, Page 1 of 2?

Dated: May 24, 2018

Respectfully submitted,



Damon R. Talley
Stoll Keenon Ogden PLLC
P.O. Box 150
Hodgenville, KY 42748-0150
Telephone: (270) 358-3187
Fax: (270) 358-9560
damon.talley@skofirm.com

Mary Ellen Wimberly
Gerald E. Wuetcher
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507-1801
Telephone: (859) 231-3047
Fax: (859) 246-3647
maryellen.wimberly.skofirm.com
gerald.wuetcher@skofirm.com

*Counsel for Lebanon Water Works
Company*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct electronic copy of the foregoing First Request for Information 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 May 24, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of the First Request for Information will be delivered to the Commission on or before May 29, 2018.


Counsel for Lebanon Water Works
Company