

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF )  
WATER SERVICE CORPORATION )  
OF KENTUCKY FOR A GENERAL ) CASE NO. 2018-00208  
ADJUSTMENT IN EXISTING RATES )

**ATTORNEY GENERAL’S SUPPLEMENTAL DATA REQUESTS**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”), and submits these Supplemental Data Requests to Water Service Corporation of Kentucky (hereinafter “WSCK” or the “Company”) to be answered by September 21, 2018, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (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 undersigned 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, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(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 regardless of the media or format in which they are stored, 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.

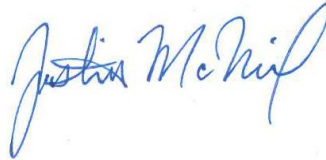
(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



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1. Refer to WSCK's response to AG 1–3(b).
  - a. Explain fully the extent of the GIS mapping initiative. How much of the system is currently mapped through GIS? How much remains to be mapped?
  - b. Provide a projected timeline for the completion of GIS mapping of the system.
  - c. If possible, provide an estimate of how much savings may be achieved by the GIS mapping of the system.
  - d. Explain how much of the system is already tied into the referenced Asset Management plan.
  - e. Explain how the Asset Management plan relates to the Company's overall capital improvement plan.
2. Refer to WSCK's response to AG 1-41 and the referenced Outside Service Expense (Cost Center) Excel sheet. Explain fully the various allocated costs in cells G5 and G21.
3. Refer to WSCK's response to Staff DR 2-11(a)(1).
  - a. Confirm that although the response only provided a reference to previous testimony regarding Accumulated Deferred Income Taxes ("ADIT"), that the Commission Staff's request specifically discussed the reduction in the federal corporate tax rate, thus implicating a lower federal income tax expense level.
  - b. Confirm or deny that WSCK calculated the difference in its federal income tax expense following the passage of the TCJA and booked that difference to a deferred liability pursuant to the Commission's order in Case No. 2017-00481.
    - i. If denied, explain in complete detail why WSCK willfully ignored a Commission order.
  - c. Confirm that although deferred assets and liabilities are not included in the calculation of the Company's revenue requirement, they nevertheless represent future federal taxes owed to or owed from WSCK customers. If denied, explain in complete detail your response.
4. Refer to WSCK's response to Staff 1-13. Did WSCK conduct any studies or analyses comparing the salaries, wages, benefits and other compensation of its affiliate employees for whom WSCK contributes, such as through shared services? If so, provide evidence, a citation, or reference to same in native Excel spreadsheet format with all formulas intact and cells unprotected with all rows and columns fully accessible. If not, explain in complete detail why the Commission should approve such shared services costs being reflected in rates.
5. Refer to WSCK's response to AG 1–19. Fully explain the projects included in the Deferred Maintenance category for the 2019 capital budget and detail the projected expenses.

6. Refer to the Application, Mr. Guttormsen's Testimony, page 4, lines 18–19. Explain the overtime expense by employees which were included in salary expense and how they were calculated.
7. Refer to WSCK's response to AG 1–2(b). Confirm that even if WSCK is earning its fully authorized rates as set by the Commission, it plans to continue to file rate cases every two years on average.
8. Explain whether WSCK or any of its affiliates perform lead/lag studies in other jurisdictions. If so, provide the average cost of performing such studies.
  - a. Do any other jurisdictions that WSCK affiliates operate require lead/lag studies? If so, provide the jurisdiction and the basis of the requirement (i.e. statutory, regulatory, by administrative order, etc.).
9. Refer to Schedule D of the Application. Provide the calculation for the gross-up factor used to determine the revenue requirement. Provide in native Excel format if available.
10. Refer to workpaper j of the Application. Explain in complete detail and itemize the contents of account number 6355, including by project id, if available.
11. Refer to Schedule B, page 1 of 2, of the Application. Explain in complete detail the \$48,332 total listed under Operating Leases on Line 28 and provide an itemized list of same.