

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF )  
SOUTHERN WATER AND SEWER )  
DISTRICT FOR AN ALTERNATIVE ) CASE NO. 2018-00230  
RATE ADJUSTMENT )

**RESPONSE OF APPLICANT TO COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION DATED JANUARY 3, 2019.**

Comes the Applicant, Southern Water and Sewer District ("Southern"), by and through counsel, and for its Response to the Commission Staff's Second Request for Information, and state as shown on the following pages.



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**COMMONWEALTH OF KENTUCKY  
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**CERTIFICATION OF RESPONSE OF APPLICANT TO COMMISSION STAFF'S  
SECOND REQUEST FOR INFORMATION**

This is to certify that I have supervised the preparation of the Applicant's Response to the Commission Staff's Second Request for Information. The responses submitted on behalf of the Applicant are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: 1-7-19

  
Dean M. Hall  
Dean M. Hall, Manager  
Southern Water and Sewer District

**CASE NO. 2018-00230**

**Response to Commission Staff's Second Request for Information**

**Question No. 1**

Responding Witness: Dean M. Hall, Manager of Southern District

Q-1. Provide a copy of Southern District's audit reports provided by its independent auditor for fiscal years 2015 and 2017.

A-1. Applicant provides herein audit reports for fiscal years 2015, 2016, and 2017.

**CASE NO. 2018-00230**

**Response to Commission Staff's Second Request for Information**

**Question No. 2**

Responding Witness: Dean M. Hall, Manager of Southern District

Q-2. Provide a copy of the written contract or operating agreement, if any, between Southern District and Prestonsburg City's Utilities Commission (PCUC), whereby Southern District is to continue to collect the sewer revenues and will pay PCUC a monthly fee to manage, operate, repair, and maintain its Harold/Betsy Layne, Eastern, and Wayland Wastewater Systems.

A-2. Applicant provides herein the relevant contract or Operating Agreement.

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**Response to Commission Staff's Second Request for Information**

**Question No. 3**

Responding Witness: Dean M. Hall, Manager of Southern District

Q-3. Provide a copy of the written contract or operating agreement, if any, between Southern District and PCUC for the operation and maintenance of the portions of the Southern District's water distribution system located along U.S. Highway 23 from mare Creek at Stanville, south to the Pike County line, including the areas east of U.S. 23 and the areas west of U.S. 23 known as Justell and Harold Bottom and that portion located along Kentucky Route 850 from the point where Southern District's Water Distribution System currently interconnects with PCUC near Kentucky Route 404 to the summit of the hill on Kentucky Route 850 pending final approval of its sale by the appropriate agency of the United States Department of Agriculture.

A-3. Applicant provides herein the relevant contract or Operating Agreement.

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**Response to Commission Staff's Second Request for Information**

**Question No. 4**

Responding Witness: Dean M. Hall, Manager of Southern District

Q-4. Provide a detailed list identifying all compensation and all other payments made by Southern District, to each of its employees and any contract personnel, for the years 2016, 2017, and 2018. For each item, provide a detailed description of the purpose of the compensation or payment.

A-4. Applicant provides herein a list of compensation to employees. Given that Applicant was only provided two business days to respond to this request, it could not reasonably provide the contractor payment information at this time. This response will be updated within the next thirty days with the contractor information. See attached affidavit of Dean M. Hall.

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**Response to Commission Staff's Second Request for Information**

**Question No. 5**

Responding Witness: Dean M. Hall, Manager of Southern District

Q-5. Provide a detailed list of the water system assets that have been transferred from Southern District to PCUC as part of the Asset Purchase Agreement approved in Commission Case No. 2017-00044.

A-5. Applicant provides herein the Asset Purchase Agreement, which provides the relevant information on Pages 9-12.

**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that the Applicant's electronic filing of this Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on January 7, 2019; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that an original paper medium will be delivered to the Public Service Commission on or before January 9, 2017.