

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY-)
AMERICAN WATER COMPANY FOR AN) CASE NO. 2018-00358
ADJUSTMENT OF RATES)

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT'S
POST-HEARING DATA REQUEST**

In accordance with the Public Service Commission's ("Commission") May 14, 2019 Order, Lexington-Fayette Urban County Government ("LFUCG") propounds the following post-hearing data requests upon the Applicant Kentucky-American Water Company ("KAWC"). KAWC shall respond to these requests in accordance with the provisions of the Commission's Order, applicable regulations, and the instructions set forth below.

INSTRUCTIONS

1. Please provide written responses, together with any and all exhibits pertaining thereto, separately indexed and tabbed by each response.
2. The responses provided should restate LFUCG's request and also identify the witness(es) responsible for supplying the information.
3. If any request appears confusing, please request clarification directly from counsel for LFUCG.
4. Please answer each designated part of each information request separately. If you do not have complete information with respect to any item, please so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

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

6. 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.

7. If KAWC objects to any request on any grounds, please notify counsel for LFUCG as soon as possible.

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

9. In the event any document called for has been destroyed or transferred beyond the control of the company, state the following: 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.

10. 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.

Respectfully submitted,



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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that on May 16, 2019, electronic filing of this document is a true and accurate copy of the same document being filed in paper medium; that the electronic filing will be transmitted to the Commission on May 16, 2019; 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 this document will be delivered to the Commission within two business days.



Counsel for LFUCG

Post-Hearing Data Requests

1. Please provide the unaccounted-for water percentage and supporting calculations for the City of North Middletown system since the date of the recent acquisition by KAWC. Include within your response the gallons sold, gallons attributable to other water used, gallons that are unaccounted-for, and the time period over which the data is based.
2. Please provide the monthly unaccounted-for water percentage and supporting calculations for the Eastern Rockcastle system since the date of acquisition by KAWC. Include within your response the gallons sold, gallons attributable to other water used, and gallons that are unaccounted-for.
3. Please provide the monthly unaccounted-for water percentage and supporting calculations for the City of Millersburg's system since the date of acquisition by KAWC. Include within your response the gallons sold, gallons attributable to other water used, and gallons that are unaccounted-for.
4. Please refer to LFUCG Hearing Exhibit 1. Contained within KAWC's response letter dated March 18, 2019, KAWC states that it will file monthly water loss reports for its entire system which will include water loss data specific to its Southern Division starting on or about the first of each month beginning in April 2019. Provide a copy of each report referred to in this request that KAWC has filed.
5.
 - a. Please provide a detailed schedule of all expenses incurred to date for the preparation of this case that KAWC Water seeks to recover in rates. The schedule should include the date of each transaction, check number or other document references, the vendor, the hours worked, the rates per hour, amount, a description

of the services performed, and the account number in which the expenditure was recorded.

- b. Provide copies of contracts, invoices, or other documentation that support charges incurred in the preparation of this case.
 - c. Update W/P 3-6 and the associated Excel file at https://psc.ky.gov/pscecf/2018-00358/15800_efs/04152019024216/KAWC_2018_Rate_Case_-_Regulatory_Expense_Exhibit.xlsx to show differences between estimated rate case expense and actual rate case expense for each service identified on that workpaper.
6. Please provide all workpapers showing how KAWC calculated the base-period update for “Rate Base for CIAC Gross Up” as \$276,440 and “Depreciation for CIAC Gross Up” as \$34,574.
- 7.
- a. Confirm that “customer advances” for main extensions are now taxable under the Tax Cut and Jobs Act.
 - b. When KAWC provides a partial refund to a person making a deposit under its tariff Rule Number 10 “Water Main Extensions,” explain how the refund amounts are treated for tax purposes. Include within your response whether the refund serves to offset income received for customer advances and whether there is a distinction between refunds that are provided in the same tax year as the associated customer advance is received as compared to refunds that are provided in different tax year as the associated customer advance is received.

8. In testimony, KAWC has stated that it has started the process of refunding the amounts it collected to gross up for taxes on Contributions in Aid of Construction. Provide a report showing the gross-up collected on CIAC since the effective date of the Tax Cut and Jobs Act, including the person who paid the gross-up, the amount of the gross-up, and the date on which the gross-up amount was refunded to that customer. For any person that KAWC has not yet refunded, please provide an explanation as to why a refund has not been provided to that person.
9. Update W/P 3-2 and the associated Excel file at [https://psc.ky.gov/pscecf/2018-00358/15800_efs/04152019024216/KAWC_2018_Rate_Case -
Fuel and Power Exhibit.xlsx](https://psc.ky.gov/pscecf/2018-00358/15800_efs/04152019024216/KAWC_2018_Rate_Case_-_Fuel_and_Power_Exhibit.xlsx) to reflect adjustments to KAWC's anticipated purchased power costs the Commission's final order in the Kentucky Utilities rate case, Case No. 2018-00294.
10. As of May 1, 2019, how many persons does American Water Works Service Company, Inc. (AWWSC) employ?
11. As of May 1, 2019, how many persons does American Water Works Company, Inc. (AWWC) employ?
12. Please provide copies of all documentation that authorizes KAWC to contest or object to any costs that are billed to it by AWWSC.
13. Please indicate whether the payment of the monthly bill/invoice by KAWC to AWWSC is electronic.
14. Please indicate whether the payment of the monthly bill/invoice by KAWC to AWWSC requires any action by KAWC or does AWWSC initiate the payment or otherwise cause the funds to be transferred without any affirmative action by KAWC?

15. Please provide a complete copy of the bill/invoice which KAWC received in May 2019 from AWWSC?
16. On what date was the bill/invoice from AWWSC, which was received by KAWC on or about May 3, 2019, paid?
17. Please provide a copy of the billing manual, memoranda and all other documents that dictate how costs are calculated that result in the monthly invoice/bill from AWWSC to KAWC.