

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

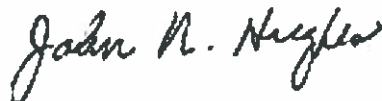
In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)
WATER SERVICE RATES OF THE CITY OF PIKEVILLE) Case No. 2019-00080
MOUNTAIN WATER DISTRICT)

**RESPONSE OF MOUNTAIN WATER DISTRICT
TO PIKEVILLE'S FIRST DATA REQUEST**

Mountain Water District, (MWD) by counsel, submits its responses to
the City of Pikeville's First Data Request.

SUBMITTED BY:



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Attorneys for Mountain Water District

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 1. Please refer to the testimony of Connie L. Allen at page 4, on which she states, "Mr. Petty could have achieved a level of functionalization using information in the general ledger to categorize the expenses" Please confirm that Ms. Allen did not use information from Pikeville's general ledger to functionalize Pikeville's expenses.

WITNESS : CONNIE ALLEN, P.E.

RESPONSE Q1:

Ms. Allen did not functionalize Pikeville's expenses. Functionalization is a step in a Cost of Service study that Ms. Allen was not hired to do. Additionally, proper functionalization would not have been possible with the data given.

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 2. Please refer to the testimony of Connie L. Allen at line 26 on page 8 to line 2 on page 9, on which she states that “all of the debt was not even relevant to the water system.” State whether Ms. Allen is asserting that none of the debt associated with the bond ordinances was related to Pikeville’s water system.

WITNESS : CONNIE ALLEN, P.E.

RESPONSE Q2:

Ms. Allen is not asserting that none of the debt associated with the bond ordinances was related to Pikeville’s water system. The referenced sentence, in its entirety, reads, “After reading the description in the bond ordinances it was obvious that not only was all the debt not relevant to MWD, but all the debt was not even relevant to the water system.” The complete sentence and the context it provides is important, here.

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 3. Please refer to the testimony of Connie L. Allen at page 12, lines 23-24. Please explain what line items do not correlate between the general ledger and the items Mr. Petty lists in Figure 3 of his cost-of-service study.

WITNESS : CONNIE ALLEN, P.E.

RESPONSE Q3:

Perhaps the best way to answer the question is with an example. On page 1749 of the General Ledger supplied by Pikeville in response to the Staff's First Request for Information to Pikeville, one finds the "YTD Total f 210.10.610 UMG...Services" showing a debit of \$261,287.79 and a credit of \$77,033.46. The difference of the two, \$184,254, appears on Mr. Petty's Figure 3. However, when one reviews the individual entries in 210.10.610, there are costs associated with companies such as Grainger, Lowes, Fastenal, USA Bluebook, CI Thornburg, etc. These companies sell products one would typically find included in functional categories such as maintenance, lines, pump stations, meters, etc. Mr. Petty does include line items in Figure 3, "Repairs & Maint" and "Repairs & Maint Plant". So, why aren't the material and supply items of repair and maintenance included in the line items that would more closely match their function? Functionalization in accordance with the generally-accepted categories in AWWA and NARUC is performed on the cost item, regardless if the utility incurs the cost directly, or if the contract management company incurs the cost.

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 4. Please refer to the testimony of Connie L. Allen at page 17, on which she states that she calculated a 40-percent factor when calculating the inch-mile ratio for MWD. Please demonstrate how Ms. Allen arrived at that conclusion.

WITNESS : CONNIE ALLEN, P.E.

RESPONSE Q4:

This question is answered in the response to the Staff's Second Request for Information to Mountain Water District, Question 3(b).

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 5. Please refer to the testimony of Connie L. Allen at page 23, Q43. Explain how Ms. Allen calculated her understanding that 69 percent of the expense related to the UMG contract has been allocated to MWD based on Pikeville's cost-of-service study.

WITNESS : CONNIE ALLEN, P.E.

RESPONSE Q5:

The costs associated with "Public Works Water" and "UMG...Services" total \$1,405,455 (\$1,221,201 and \$184,254, respectively). \$1,405,455 is 69% of the total, \$2,035,282 in Figure 3. Admittedly, Ms. Allen's answer ended too abruptly. While the 69% of the costs—that associated with UMG—is in-play in Figure 3, Pikeville's collaborative method of allocation reduces the amount that ends up in Figure 10 to \$1,277,177, which is 63% of the total costs in Figure 3.

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 6. Confirm that MWD does not have offer a separate rate for industrial customers, as compared to residential customers.

WITNESS : ROY SAWYERS

RESPONSE Q6:

Confirmed.

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 7. Confirm that in June 2019 Mountain Water District experienced high turbidity at its water treatment plant due to rain, causing Mountain Water District to purchase additional amounts of water to ensure service was not interrupted to the Water District's customers.

WITNESS : ROY SAWYERS

RESPONSE Q7:

Confirmed.

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 8. . Identify MWD's unaccounted-for water loss by month for every month since and including July 1, 2016.

WITNESS : ROY SAWYERS

RESPONSE Q8:

See attached reports.

EXHIBIT

RESPONSE TO QUESTION 8

**MOUNTAIN WATER DISTRICT
2016 PSC WATER LOSS SUMMARY**

2016	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2016 ANNUAL TOTALS
1 WATER PRODUCED, PURCHASED AND DISTRIBUTED													
2 WATER PRODUCED							73550	76830	77361	80003	74697	76950	459391
3 WATER PURCHASED							60284	76771	70175	59242	60583	56240	383295
4 TOTAL WATER PRODUCED AND PURCHASED	0	0	0	0	0	0	133834	153601	147536	139245	135280	133190	842686
6 WATER SALES													
7 RESIDENTIAL							54722	54056	54385	49657	47768	49626	310214
8 COMMERCIAL							4720	4929	5430	5830	5314	5999	32222
9 INDUSTRIAL							937	1009	1005	760	884	850	5445
10 BULK LOADING STATIONS													
11 RESALE							8256	8423	10135	9730	9923	8094	54561
12 OTHER SALES							3189	3083	3267	2662	2317	2634	17132
13 TOTAL WATER SALES	0	0	0	0	0	0	71804	71500	74222	68639	66206	67203	419574
15 OTHER WATER USED													
16 UTILITY/WATER TREATMENT PLANT							1713	1653	1446	1449	1571	1519	9351
17 WASTEWATER PLANT													0
18 SYSTEM FLUSHING							10205	8080	8933	8039	7054	8751	51062
19 FIRE DEPARTMENT							6031	5794	3591	1685	1471	1064	19636
20 OTHER													0
21 TOTAL OTHER WATER USED	0	0	0	0	0	0	17949	15527	13970	11173	10096	11334	80049
23 WATER LOSS													
24 TANK OVERFLOWS							2300	80	0	0	1623	800	4803
25 LINE BREAKS							2378	4175	13329	7844	7879	12244	47849
26 LINE LEAKS							37088	60581	43468	48913	46893	37752	274695
27 OTHER							2315	1738	2547	2676	2583	3857	15716
28 TOTAL LINE LOSS	0	0	0	0	0	0	44081	66574	59344	59433	58978	54653	343063

LINE 13 +LINE 21 MUST EQUAL LINE 4

32 WATER LOSS PERCENTAGE													
33 LINE 28 DIVIDED BY LINE 4	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	32.9%	43.3%	40.2%	42.7%	43.6%	41.0%	40.7%

**MOUNTAIN WATER DISTRICT
2017 PSC WATER LOSS SUMMARY**

	2017												2017 ANNUAL	
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS	
1 WATER PRODUCED, PURCHASED AND DISTRIBUTED													869355	
2 WATER PRODUCED	74707	67766	73123	67809	75520	73576	77385	74843	70492	70477	70570	73087	701934	
3 WATER PURCHASED	68597	54986	63117	55487	64571	68687	60173	60369	55211	53882	45605	51249	1571289	
4 TOTAL WATER PRODUCED AND PURCHASED	143304	122752	136240	123296	140091	142263	137558	135212	125703	124359	116175	124336		
5 WATER SALES														
6 RESIDENTIAL	52084	48188	48658	48145	53641	57163	54646	53408	50837	48553	51572	48793	615688	
7 COMMERCIAL	5473	5887	5609	5489	10935	4865	4785	4625	4927	5233	4460	4981	67269	
8 INDUSTRIAL	850	680	688	563	754	743	691	691	653	733	774	641	8461	
9 BULK LOADING STATIONS														
10 RESALE	8302	8232	10013	8453	8845	8198	8701	8469	10849	9914	9249	9507	108732	
11 OTHER SALES	2708	2449	2582	2416	2555	2834	2725	2801	2633	2472	2612	2680	31467	
12 TOTAL WATER SALES	69417	65486	67550	65066	76730	73803	71548	69994	69899	66805	68567	66602	833617	
13 OTHER WATER USED														
14 UTILITY/WATER TREATMENT PLANT	1621	1550	1745	1594	1639	1571	1468	1523	1645	1738	1682	1732	19508	
15 WASTEWATER PLANT													0	
16 SYSTEM FLUSHING	10244	9038	8063	8583	8652	8308	8493	8312	7977	5980	8259	8403	100312	
17 FIRE DEPARTMENT	2337	2395	2297	3361	2844	4207	2605	3399	2537	2141	681	52	28856	
18 OTHER	5131	2091	2368	1721	5184	12439	15301	11058	6905	12184	5663	3029	83074	
19 TOTAL OTHER WATER USED	19333	15074	14473	15259	18319	26525	27867	24292	19064	22043	16285	13216	231750	
20 WATER LOSS														
21 TANK OVERFLOWS	1297	918	975	4312	1480	3612	1357	113	1404	1158	1691	37	18354	
22 LINE BREAKS	9203	9305	11457	8096	13610	12131	18135	20766	18010	8150	6563	4871	140237	
23 LINE LEAKS	44054	32019	41785	30623	29952	26192	18650	19947	17326	26103	22969	39610	349230	
24 OTHER													0	
25 TOTAL LINE LOSS	54554	42242	54217	42971	45042	41935	38142	40826	36740	35411	31223	44518	507821	
LINE 13 +LINE 21 MUST EQUAL LINE 4														
26 WATER LOSS PERCENTAGE														
27 LINE 25 DIVIDED BY LINE 4	38.1%	34.4%	39.8%	34.9%	32.2%	29.5%	27.7%	30.2%	29.2%	28.5%	26.9%	35.8%	32.9%	

**MOUNTAIN WATER DISTRICT
2018 PSC WATER LOSS SUMMARY**

2018 ANNUAL
TOTALS

2018	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2018 ANNUAL TOTALS
1 WATER PRODUCED, PURCHASED AND DISTRIBUTED													
2 WATER PRODUCED	78327	54155	72588	72246	75656	70579	79224	73599	73421	76955	75938	76206	878894
3 WATER PURCHASED	74110	69794	55052	51223	53755	56470	57322	61091	55181	55887	59050	57017	705952
4 TOTAL WATER PRODUCED AND PURCHASED	152437	123949	127640	123469	129411	127049	136546	134690	128602	132842	134988	133223	1584846
6 WATER SALES													
7 RESIDENTIAL	57578	54625	46752	46862	51741	60404	55296	53731	54439	48565	51765	49926	631684
8 COMMERCIAL	5831	5100	4459	5211	8494	8503	7034	5263	4747	4689	5218	4835	69384
9 INDUSTRIAL	523	671	421	572	611	624	581	720	632	623	683	433	7094
10 BULK LOADING STATIONS													
11 RESALE	9852	6204	6856	6661	4793	5094	6623	7807	4027	4097	4057	4396	70277
12 OTHER SALES	3090	2900	2372	2368	2429	2497	2371	2272	2174	5568	6064	5145	39250
13 TOTAL WATER SALES	76884	69500	60860	61674	68068	77122	71905	69593	66019	63542	67787	64735	817689
15 OTHER WATER USED													
16 UTILITY/WATER TREATMENT PLANT	1681	1402	1556	1516	1621	1478	1505	1956	1455	2249	2358	1607	20384
17 WASTEWATER PLANT				415									415
18 SYSTEM FLUSHING	9565	8845	7635	8022	8163	8620	7316	7517	7529	6166	8134	5621	93133
19 FIRE DEPARTMENT	957	1114	1864	484	693	1922	1153	1554	2203	2113	2263	2175	18495
20 OTHER	2785	8354	13073	1949	1413	1198	1434	2050	2676	2332	1710	2247	41221
21 TOTAL OTHER WATER USED	14988	19715	24128	12386	11890	13218	11408	13077	13863	12860	14465	11650	173648
23 WATER LOSS													
24 TANK OVERFLOWS	72	1241	20	2423	65	244	50	104	597	1064	1571	185	7636
25 LINE BREAKS	30442	5769	5706	8562	17559	4862	19324	22600	17507	21167	35000	15952	204570
26 LINE LEAKS	30051	27724	36926	38255	31829	31603	33859	29316	30616	34189	16165	40701	381234
27 OTHER				79									79
28 TOTAL LINE LOSS	60565	34734	42652	49439	49453	36709	53233	52020	48720	56440	52736	56838	593519

LINE 13 +LINE 21 MUST EQUAL LINE 4

32 WATER LOSS PERCENTAGE													
33 LINE 28 DIVIDED BY LINE 4	39.7%	28.0%	33.4%	40.0%	38.2%	28.9%	39.0%	38.6%	37.9%	42.5%	39.1%	42.7%	37.4%

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 9. Identify the number of customers served by MWD as of:

- a. June 30, 2019
- b. June 30, 2017

WITNESS : ROY SAWYERS

RESPONSE Q9:

- a) June 30, 2019 - 16,665
- b) June 30, 2017 - 16,613

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 10. For every month since and including July 1, 2016, identify the volume of water that MWD purchased from each of its wholesale suppliers and the volume of water MWD produced at its water treatment plant.

WITNESS : ROY SAWYERS

RESPONSE Q10:

See attached reports.

EXHIBIT

RESPONSE TO QUESTION 10

2016	PRODUCED	PURCHASED - PIKEVILLE	PURCHASED - WILLIAMSON	TOTAL PRODUCED & PURCHASED
January	78,834,409	45,330,000	23,071,000	147,235,409
February	70,905,418	47,994,000	24,256,000	143,155,418
March	75,955,000	34,175,000	24,219,000	134,349,000
April	72,028,123	35,304,000	22,249,000	129,581,123
May	74,290,750	38,101,000	28,001,000	140,392,750
June	73,518,750	37,501,000	26,106,000	137,125,750
July	73,550,000	35,060,000	25,224,000	133,834,000
August	76,830,125	46,882,000	29,889,000	153,601,125
September	77,361,250	45,306,000	24,868,700	147,535,950
October	80,002,625	34,396,000	24,846,000	139,244,625
November	74,697,375	36,250,000	24,333,300	135,280,675
December	76,950,250	33,450,000	22,790,000	133,190,250
	904,924,075	469,749,000	299,853,000	1,674,526,075

PRODUCED 54%
 PURCHASED - PIKEVILLE 28%
 PURCHASED - WILLIAMSON 18%

2017	PRODUCED	PURCHASED - PIKEVILLE	PURCHASED - WILLIAMSON	TOTAL PRODUCED & PURCHASED
January	74,707,500	38,900,000	26,157,000	139,764,500
February	67,766,500	31,891,000	22,603,000	122,260,500
March	73,122,625	39,675,000	23,442,000	136,239,625
April	67,809,215	34,427,000	21,060,000	123,296,215
May	75,520,000	37,388,000	27,183,000	140,091,000
June	73,576,375	42,966,000	25,721,000	142,263,375
July	77,385,125	33,350,000	26,823,000	137,558,125
August	74,843,625	34,936,000	25,333,000	135,112,625
September	70,492,375	32,500,000	22,711,000	125,703,375
October	70,476,875	29,626,000	22,880,000	122,982,875
November	70,570,375	25,879,000	19,726,000	116,175,375
December	73,086,500	31,497,000	19,752,000	124,335,500
	869,357,090	413,035,000	283,391,000	1,565,783,090

PRODUCED 56%
 PURCHASED - PIKEVILLE 26%
 PURCHASED - WILLIAMSON 18%

2018	PRODUCED	PURCHASED - PIKEVILLE	PURCHASED - WILLIAMSON	TOTAL PRODUCED & PURCHASED
January	78,327,375	47,142,000	26,968,000	152,437,375
February	54,154,940	41,469,000	28,325,000	123,948,940
March	72,588,251	34,797,000	20,254,500	127,639,751
April	72,245,751	29,624,000	21,609,200	123,478,951
May	75,656,500	34,448,000	19,306,900	129,411,400
June	70,578,675	37,113,000	19,357,300	127,048,975
July	79,223,725	34,365,000	22,957,600	136,546,325
August	73,599,376	37,464,000	23,627,400	134,690,776
September	73,421,000	30,537,000	24,643,700	128,601,700
October	76,954,709	32,920,800	22,966,500	132,842,009
November	75,938,642	36,556,000	22,493,700	134,988,342
December	76,205,904	37,449,000	19,568,800	133,223,704
	878,894,848	433,884,800	272,078,600	1,584,858,248

PRODUCED 56%
 PURCHASED - PIKEVILLE 27%
 PURCHASED - WILLIAMSON 17%

2019	PRODUCED	PURCHASED - PIKEVILLE	PURCHASED - WILLIAMSON	TOTAL PRODUCED & PURCHASED
January	78,372,484	41,058,000	23,589,997	143,020,481
February	59,105,405	46,879,000	21,499,200	127,483,605
March	73,413,878	34,121,000	21,249,400	128,784,278
April	69,598,596	32,346,000	22,811,300	124,755,896
May	72,386,993	39,206,000	23,785,100	135,378,093
June	64,741,696	34,025,000	20,167,500	118,934,196
July				0
August				0
September				0
October				0
November				0
December				0
	417,619,052	227,635,000	133,102,497	778,356,549

PRODUCED 54%
 PURCHASED - PIKEVILLE 29%
 PURCHASED - WILLIAMSON 17%

CASE : City of Pikeville
CASE NO : 2019-00080
RE : City of Pikeville
First Data Request to MWD

Q 11. For every month since and including July 1, 2016, identify the volume of water sold by MWD to each of its wholesale customers.

WITNESS : ROY SAWYERS

RESPONSE Q11:

See attached reports.

EXHIBIT

RESPONSE TO QUESTION 11

	MARTIN CO WATER	CITY OF ELKHORN CITY	MINGO CO PSD	TOTAL
2016				
JAN	0	6,379,000	113,200	6,492,200
FEB	0	6,060,000	110,200	6,170,200
MAR	0	4,821,000	81,200	4,902,200
APR	0	3,862,000	92,100	3,954,100
MAY	0	3,808,000	170,500	3,978,500
JUN	0	3,774,000	218,400	3,992,400
JUL	0	4,038,000	89,600	4,127,600
AUG	0	4,100,000	98,700	4,198,700
SEP	400	4,266,000	83,700	4,350,100
OCT	0	4,112,000	112,700	4,224,700
NOV	0	3,990,000	107,300	4,097,300
DEC	0	4,028,000	118,100	4,146,100
	400	53,238,000	1,395,700	54,634,100

14815.45 213.73 135079.6

2017	MARTIN CO WATER	CITY OF ELKHORN CITY	MINGO CO PSD	TOTAL
JAN	0	4,192,000	120,100	4,312,100
FEB	0	3,945,000	93,700	4,038,700
MAR	0	4,133,000	118,400	4,251,400
APR	0	3,904,000	106,500	4,010,500
MAY	300	4,023,000	103,500	4,126,800
JUN	0	3,992,000	109,700	4,101,700
JUL	0	4,079,000	147,500	4,226,500
AUG	0	4,075,000	112,500	4,187,500
SEP	0	4,105,000	210,400	4,315,400
OCT	0	4,241,000	451,900	4,692,900
NOV	0	4,262,000	107,700	4,369,700
DEC	0	4,583,000	106,600	4,689,600
	300	49,534,000	1,788,500	51,322,800

14815.45

213.73

135079.6

2018

	MARTIN CO WATER	CITY OF ELKHORN CITY	MINGO CO PSD	TOTAL
JAN	141,300	5,351,000	168,000	5,660,300
FEB	0	4,411,000	113,400	4,524,400
MAR	0	4,639,000	125,000	4,764,000
APR	0	4,387,000	110,600	4,497,600
MAY	0	4,670,000	123,300	4,793,300
JUN	0	4,945,000	148,800	5,093,800
JUL	0	6,483,000	140,200	6,623,200
AUG	0	4,339,000	160,500	4,499,500
SEP	0	3,868,000	158,500	4,026,500
OCT	715,000	3,842,000	183,000	4,740,000
NOV	1,000	3,818,000	237,600	4,056,600
DEC	400	4,271,000	124,500	4,395,900
	857,700	55,024,000	1,793,400	57,675,100

14815.45

213.73

135079.6

	MARTIN CO WATER	CITY OF ELKHORN CITY	MINGO CO PSD	TOTAL
2019 JAN	100	5,351,000	117,500	5,468,600
FEB	200	4,076,000	163,300	4,239,500
MAR	0	4,245,000	145,800	4,390,800
APR	400	4,062,000	124,200	4,186,600
MAY	0	4,461,000	154,900	4,615,900
JUN	0	4,223,000	158,500	4,381,500
JUL				0
AUG				0
SEP				0
OCT				0
NOV				0
DEC				0
	700	26,418,000	864,200	27,282,900

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AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF MERCER

Affiant, Connie Lea Allen, P.E., after being first sworn, deposes and says that she is authorized to submit this testimony on behalf of Mountain Water District and that the information contained in the testimony is true and accurate to the best of her knowledge, information and belief.



Connie Lea Allen, P.E.

This instrument was produced, signed, acknowledged and declared by Connie Lea Allen, P. E. to be her act and deed the 8th day of August, 2019.



Notary Public

Registration Number: 560434

My Commission expires: 7/23/2020

