

**CASE NO. 2019-00080**  
**CITY OF PIKEVILLE WHOLESALE WATER SERVICE RATES**  
**SUPPLEMENTAL RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

1. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses incurred to date for the following categories:

- (1) Accounting;
- (2) Engineering;
- (3) Legal;
- (4) Consultants; and
- (5) Other Expenses (Identify separately).

For each category, 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. Provide copies of contracts or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the base period.

b. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in (a) above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

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c. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in (a) above.

Response:

- a. Please see the chart below for the itemized information requested. The expenditures have been paid out of the general fund. Copies of the vendor's invoices are attached.
- b. As described in Item 3 above, Pikeville's proposed rate case expense surcharge is an estimate based actual rate case expenses identified in municipal wholesale rate cases over the last 10 years before this Commission, including City of Lebanon (\$162,695), City of Augusta (\$69,535), City of Danville (\$57,190), Hopkinsville Water and Environment Authority (\$153,416), and Frankfort Electric and Water Plant Board (\$78,405). The chart below has been produced in response to this information request.
- c. Pikeville will submit updates monthly.

WITNESS: Tonya Taylor

| Date               | Invoice # | Vendor Name     | Hours | Rate/Hr   | Amount Included |              | Description  |
|--------------------|-----------|-----------------|-------|-----------|-----------------|--------------|--|
|                    |           |                 |       |           | Total Amount    | Expense      |  |
| 10/8/2018          | 115036    | Sturgill Turner | 19.4  | \$214.07  | \$ 4,301.24     | \$ 2,523.50  | Legal Services<br>Reduced for time spent on Southern Water |
| 11/2/2018          | 115445    | Sturgill Turner | 1.2   | \$245     | \$ 294.40       | \$ -         | Legal Services<br>Reduced for time spent on Southern Water |
| 12/10/2018         | 116442    | Sturgill Turner | 0.5   | \$245     | \$ 122.50       | \$ 122.50    | Legal Services   |
| 1/3/2019           | 116803    | Sturgill Turner | 13.7  | \$245     | \$ 3,509.10     | \$ 3,509.10  | Legal Services<br>Corrected from 7/15 filing               |
| 2/4/2019           | 117381    | Sturgill Turner | 3.3   | \$245     | \$ 808.50       | \$ 808.50    | Legal Services   |
| 3/4/2019           | 118037    | Sturgill Turner | 5.1   | \$245     | \$ 1,250.90     | \$ 1,250.90  | Legal Services   |
| 4/3/2019           | 118641    | Sturgill Turner | 1     | \$245     | \$ 245.00       | \$ 245.00    | Legal Services   |
| 5/6/2019           | 119293    | Sturgill Turner | 1.7   | \$245     | \$ 416.50       | \$ 416.50    | Legal Services   |
| 7/3/2019           | 120341    | Sturgill Turner | 38.8  | \$ 202.06 | \$ 8,743.92     | \$ 8,743.92  | Legal Services   |
| 8/3/2019           | 121066    | Sturgill Turner | 79.8  | \$244.00  | \$ 19,905.56    | \$ 19,905.56 | Legal Services   |
| <b>Total Legal</b> |           |                 |       |           | \$ 39,597.62    | \$ 37,525.48 |  |

\*- A factor of 20.44% is based on the FY17 audited expenses of \$5,213,038 for inside/outside water and sewer and Mr. Petty's recommended revenue requirement of

|                         |             |           |    |             |              |                     |                     |
|-------------------------|-------------|-----------|----|-------------|--------------|---------------------|---------------------|
| 10/4/2017               | RateStudies | flat rate |    | \$ 9,000.00 | \$ 1,839.60  | Consulting Services |                     |
| 11/15/2017              | RateStudies | flat rate |    | \$ 7,200.00 | \$ 1,471.68  | Consulting Services |                     |
| 1/18/2018               | RateStudies | flat rate |    | \$ 1,800.00 | \$ 367.92    | Consulting Services |                     |
| 1/18/2018               | RateStudies | flat rate |    | \$ 2,000.00 | \$ 408.80    | Consulting Services |                     |
| 10/3/2018               | RateStudies | flat rate |    | \$ 6,000.00 | \$ 6,000.00  | Consulting Services |                     |
| 5/31/2019               | RateStudies | flat rate | 16 | \$ 125.00   | \$ 2,274.08  | \$ 2,274.08         | Consulting Services |
| <b>Total Consulting</b> |             |           |    |             | \$ 28,274.08 | \$ 12,362.08        |                     |

1,065,428

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All work related to MWD exclusively

All work related to MWD exclusively

**Total RC Expense to date** \$ **49,887.56**

**PSC 2-34(b)**

|                 | Total Estimate | Expense to date | Remainder of estimate | Hourly rate | Estimated additional hours |
|-----------------|----------------|-----------------|-----------------------|-------------|----------------------------|
| Legal Services  | \$65,000       | \$ 37,525.48    | \$27,474.52           | \$ 245      | 105                        |
| Rate Consultant | \$25,000       | \$ 12,362.08    | \$12,637.92           | \$ 125      | 100                        |
| Totals          | \$90,000       |                 | \$40,112.44           |             |                            |

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**Rate Case Expense**  
**Additional Invoices**



**Sturgill, Turner, Barker & Moloney, PLLC**  
333 West Vine Street, Suite 1500  
Lexington, KY 40507  
p: 859.255.8581 f: 859.231.0851  
www.sturgillturner.com

Philip Elswick, P.E.  
City of Pikeville  
Pikeville City Manager  
243 Main Street  
Pikeville, KY 41501

## STATEMENT OF SERVICES

Employer I.D. No. 61-0576615

Statement Date: 08/05/2019  
Account No: 65902.0001 M  
Statement No: 121066

### City of Pikeville Wholesale Water Rates

|            |     |      |      |  | Hours |
|------------|-----|------|------|--|-------|
| 07/01/2019 | MTO | L320 | A104 | Review PSC Staff's 2nd data request; communicate with client regarding same.   | 0.60  |
|            | MTO | L320 | A104 | Review MWD's 1st data request; communicate with client regarding same.   | 0.90  |
| 07/02/2019 | MTO | L320 | A104 | Review materials sent by Pikeville for responses to PSC data requests; begin drafting responses to certain requests; communicate with Elswick and Taylor regarding same. | 3.80  |
| 07/03/2019 | MTO | L320 | A103 | Draft/revise - draft confidentiality agreement   | 0.50  |
|            | MTO | L320 | A106 | Communicate (with client) with Pikeville staff regarding information to provide in response to MWD and PSC data requests.  | 0.90  |
|            | MTO | L320 | A104 | Review - continued review of materials sent by Pikeville for data responses; draft certain data responses to MWD and PSC requests  | 4.50  |
| 07/07/2019 | MTO | L120 | A104 | Review - continued review of materials and responses sent by Mr. Petty and outline additional questions to address.  | 3.20  |
| 07/08/2019 | MTO | L320 | A104 | Review documents and responses sent from T. Taylor; draft responsive email communications to her and raise additional questions.   | 1.30  |
| 07/09/2019 | MTO | L320 | A103 | Continued review of materials and responses sent by Pikeville representatives regarding PSC 2 and MWD 1 DRs; propose certain revisions                                   | 3.30  |
| 07/10/2019 | MTO | L320 | A109 | Appear for/attend - travel to Pikeville for meeting with representatives to assist in preparing responses to data requests.  | 2.50  |

## City of Pikeville Wholesale Water Rates

|            |     |      |   | Hours |
|------------|-----|------|---|-------|
|            | MTO | L320 | A109 Appear for/attend - meeting with representatives to assist in preparing responses to data requests.  | 5.00  |
|            | MTO | L320 | A109 Appear for/attend - travel from Pikeville after meeting with representatives to assist in preparing responses to data requests.  | 2.50  |
| 07/11/2019 | MTO | L120 | A106 Communicate (with client) - phone call with Rusty Davis to discuss rate case   | 0.30  |
|            | MTO | L320 | A103 Draft/revise - continued work drafting and revising responses to requests for information based on yesterday's meeting; communicate with client regarding same.  | 7.80  |
| 07/12/2019 | DWH | L320 | A104 Review of documents for production related to PSC Filing and redact required sensitive information and prepare for filing  | 0.50  |
|            | MTO | L320 | A104 Review - continued review of information sent by Pikeville; communicate with Potter, May, Taylor, Elswick, and Davis regarding responses; review PSC order and communicate with client regarding order; begin drafting petition for confidentiality. | 4.80  |
| 07/14/2019 | MTO | L320 | A103 Draft/revise - continued work on Pikeville's responses to PSC second DR and MWD first DR.  | 2.30  |
| 07/15/2019 | MTO | L320 | A104 Review - continued review of materials received from Pikeville and UMG; communicate with Potter regarding same; work with firm staff to get responses finalized and filed.   | 3.80  |
| 07/16/2019 | MTO | L320 | A106 Communicate (with client) regarding ordinance approving wholesale rates; review ordinance  | 0.30  |
| 07/17/2019 | MTO | L120 | A106 Communicate (with client) discussion with Grondall Potter regarding rate case  | 0.10  |
| 07/18/2019 | MTO | L210 | A104 Review Motion to Compel filed by MWD; communicate with clients regarding same.   | 0.80  |
| 07/19/2019 | MTO | L120 | A106 Communicate (with client) - additional communications with City Manager Elswick and City Attorney Davis on motion to compel; begin drafting Response to Motion   | 2.50  |
| 07/22/2019 | MTO | L320 | A104 Review testimony of Connie Allen; draft email to clients regarding same.   | 0.80  |

## City of Pikeville Wholesale Water Rates

|            |     |      |      |  | Hours |     |
|------------|-----|------|------|--|-------|-----|
|            | MTO | L250 | A103 | Draft/revise - drafting Response to MWD's Motion to Compel   | 1.50  |     |
| 07/23/2019 | MTO | L120 | A106 | Communicate (with client) - phone call with Phillip Elswick to discuss Motion to Compel, questions to MWD, and information from UMG. | 0.50  |     |
|            | MTO | L320 | A106 | Communicate with G. Potter regarding information requests to MWD   | 0.20  |     |
|            | MTO | L320 | A103 | Draft/revise - begin outlining questions to MWD  | 0.50  |     |
|            | MTO | L320 | A104 | Review order from PSC setting hearing date and communicate with client regarding same.   | 0.30  |     |
|            | MTO | L250 | A103 | Draft/revise - continue drafting Response to Motion to Compel  | 4.00  |     |
| 07/24/2019 | JWG | C300 | A104 | Review draft memo in response to motion to compel.   | 0.40  |     |
| 07/25/2019 | MTO | L120 | A105 | Communicate (in firm) with Jim Gardner regarding MWD's Motion to Compel and Pikeville's Response thereto.                            | 0.40  |     |
|            | MTO | L250 | A104 | Review MWD's Motion to Reschedule Hearing; communicate with client regarding same.   | 0.40  |     |
|            | MTO | L250 | A103 | Draft/revise - revise Pikeville's Response to Motion to Compel, prepare for filing.  | 2.30  |     |
|            | MTO | L120 | A106 | Communicate with Grondall Potter regarding Motion to Reschedule Hearing and Requests for Production of Documents from MWD            | 0.20  |     |
|            | MTO | L120 | A103 | Draft/revise begin drafting response to MWD's Motion to Reschedule Hearing.  | 0.60  |     |
|            | MTO | L320 | A104 | Review - begin reviewing documents related to PSG's/Veolia's agreement for Operations and Management services for Hardinsburg.       | 0.50  |     |
|            | JWG | C300 | A105 | Communicate (in firm) with Todd regarding revisions to memo.   | 0.40  |     |
| 07/26/2019 | MTO | L210 | A103 | Draft/revise - draft Read1st for Exhibit 1 to Motion to Compel; prepare for filing. (no charge)                                      | 0.50  | N/C |
|            | MTO | L120 | A106 | Communicate (with client) - phone call with T. Taylor regarding MWD testimony  | 0.70  |     |



City of Pikeville Wholesale Water Rates

|            |     |      |   | Hours     |
|------------|-----|------|---|-----------|
|            | MTO | L320 | A104 Review data requests from Commission Staff and communicate with client regarding the same.   | 1.30      |
| 07/28/2019 | MTO | C300 | A104 Review possible DRs proposed by client; review publicly available materials to determine whether we already have that information.   | 0.80      |
| 07/29/2019 | MTO | C300 | A103 Draft/revise - review, revise, and draft data requests to MWD; begin drafting responses to PSC's 3rd data request; review audits and annual reports to assist in analysis of UMG contract. | 7.80      |
| 07/30/2019 | MTO | L320 | A106 Communicate with May and Potter regarding UMG information requested by PSC   | 0.30      |
|            | MTO | L120 | A101 Prepare for conference call with PSC Staff regarding hearing   | 0.30      |
|            | MTO | L120 | A109 Appear for/attend conference call with PSC Staff   | 0.20      |
|            | MTO | L120 | A106 Communicate (with client) with Rusty Davis regarding conference call and hearing   | 0.30      |
| 07/31/2019 | MTO | L320 | A106 Communicate (with client) - lengthy phone call with T. Taylor to discuss responses to data requests.   | 1.00      |
|            | MTO | L320 | A103 Continued work on responses to third set of data requests from PSC Staff   | 1.90      |
|            |     |      | For Current Services Rendered   | 79.80     |
|            |     |      | Total Non-Billable Hours  | 0.50      |
|            |     |      |   | 19,471.00 |

**Recapitulation**

| <u>Timekeeper</u> | <u>Title</u> | <u>Hours</u> | <u>Hourly Rate</u> | <u>Total</u> |
|-------------------|--------------|--------------|--------------------|--------------|
| M. Todd Osterloh  | Member       | 78.50        | \$245.00           | \$19,232.50  |
| James W. Gardner  | Of Counsel   | 0.80         | 245.00             | 196.00       |
| David W. Hobson   | Paralegal    | 0.50         | 85.00              | 42.50        |

**Costs**

|            |      |      |                           |        |
|------------|------|------|---------------------------|--------|
| 07/09/2019 | L110 | E101 | 598 Document Reproduction | 119.60 |
| 07/09/2019 | L110 | E101 | 1 Document Reproduction   | 0.20   |
| 07/09/2019 | L110 | E101 | 1 Document Reproduction   | 0.20   |
| 07/09/2019 | L110 | E101 | 87 Document Reproduction  | 17.40  |
| 07/09/2019 | L110 | E101 | 46 Document Reproduction  | 9.20   |
| 07/15/2019 | L110 | E101 | 492 Document Reproduction | 98.40  |
| 07/15/2019 | L110 | E101 | 2 Document Reproduction   | 0.40   |
| 07/15/2019 | L110 | E101 | 1 Document Reproduction   | 0.20   |

City of Pikeville Wholesale Water Rates

|            |      |      |  |                    |
|------------|------|------|--|--------------------|
| 07/15/2019 | L110 | E101 | 1 Document Reproduction  | 0.20               |
| 07/15/2019 | L110 | E101 | 1 Document Reproduction  | 0.20               |
| 07/24/2019 | L110 | E101 | 125 Document Reproduction  | 25.00              |
|            |      |      | E101 (653) Document Reproduction   | <u>271.00</u>      |
| 07/10/2019 | L110 | E110 | Travel - MTO travel 282 miles to/from Pikeville for meeting with representatives | 163.56             |
|            |      |      | Travel - Mileage   | <u>163.56</u>      |
|            |      |      | Total Costs Thru 07/31/2019  | <u>434.56</u>      |
|            |      |      | Total Current Work   | 19,905.56          |
|            |      |      | Previous Balance   | \$8,743.92         |
| 07/26/2019 |      |      | Thank you for your payment.  | -8,743.92          |
|            |      |      | Balance Due  | <u>\$19,905.56</u> |

Task Code Summary

|      |   | <u>Fees</u>     | <u>Expenses</u> |
|------|---|-----------------|-----------------|
| C300 | Analysis and Advice   | 2303.00         | 0.00            |
| C300 | Analysis and Advice   | <u>2,303.00</u> | 0.00            |
| L110 | Fact Investigation/Development                              | 0.00            | 434.56          |
| L120 | Analysis/Strategy   | <u>2278.50</u>  | 0.00            |
| L100 | Do not Use-See L110-L190 Case Assessment,Development &Admin | 2,278.50        | 434.56          |
| L210 | Pleadings   | 196.00          | 0.00            |
| L250 | Other Written Motions and Submissions                       | <u>2009.00</u>  | 0.00            |
| L200 | Do Not Use-See L210-L260 Pre-Trial Pleadings & Motions      | 2,205.00        | 0.00            |
| L320 | Document Production   | <u>12684.50</u> | 0.00            |
| L300 | Do Not Use - See L310-L390 Discovery                        | 12,684.50       | 0.00            |

PAYMENT DUE UPON RECEIPT  
 To ensure proper credit to your account  
 Please write Account 65902.0001 on your check  
 Thank you