

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ROWAN WATER, INC.)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO CONSTRUCT A SYSTEM)
IMPROVEMENTS PROJECT AND AN ORDER) Case No. 2019 - 00411
APPROVING A CHANGE IN RATES AND)
AUTHORIZING THE ISSUANCE OF SECURITIES)
PURSUANT TO KRS 278.023)

RESPONSE TO STAFF’S FIRST REQUEST FOR INFORMATION

The Applicant, Rowan Water, Inc. ("Rowan Water"), by Counsel, files this Response to the November 26, 2019 Commission Staff’s First Request for Information as follows:

Responding Witness: Bryan Lovan, Bluegrass Engineering PLLC, engineer for Rowan Water.

Request No. 1. As 807 KAR 5:069, Section 2(6)(c), provides, the proposed rates, if any, shall produce the total revenue requirements recommended in the engineering reports. Provide a copy of the billing analysis in Excel spreadsheet format showing revenue at current rates and at proposed rates based on actual and forecasted water usage for the existing system for a 12-month period as contained in the Kentucky Guide 7 Summary Addendum that was provided to the United States Department of Agriculture, Rural Development (RD) as referenced in the Preliminary Engineering Report, page 10 as part of the loan application. The copy provided in Excel spreadsheet format should have formulas intact and unprotected, and all rows and columns fully accessible.

Response No. 1. The requested billing analysis was electronically filed on November 25, 2019.

Request No. 2. Provide a copy of the Kentucky Guide 7 Summary Addendum that Rowan Water provided to RD as part of the loan application.

Response No. 2. Kentucky Guide 7 Summary Addendum was electronically filed on November 18, 2019 as an attachment to the Preliminary Engineering Report.

Request No. 3. Rowan Water reported a total of other water used by the system as 219,353,000 gallons, approximately 34.5 percent of total water purchased, in its 2018 Annual Report (2018 Annual Report at 57, line 21). Provide an explanation for the high level of water use in Rowan Water's system.

Response No. 3. Rowan Water's reported total of other water used by the system as 219,353,000 gallons in calendar year 2018 was comprised of 160,427,000 gallons of system flushing (2018 Annual Report at 57, line 18) and 58,926,000 gallons of fire department usage (2018 Annual Report at 57, line 19). Rowan Water provides water to meet the needs of five fire departments within the County. This usage is comprised of the everyday needs of the local fire departments to provide fire protection to the citizens of the County. Additionally, Rowan Water strives to provide the highest quality potable water to its over 7,000 customers. In order to meet water quality standards as established by the Kentucky Division of Water, Rowan Water must flush its over 800 miles of distribution mains on a regular basis. This is accomplished through the use of four automatic flushing hydrants dispersed throughout the distribution system in addition to manual flushing as required by regulation. This flushing allows for daily chlorine residuals to be maintained in addition to meeting standards related to the Stage 2 Disinfection Byproducts Rule.

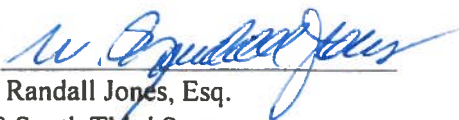
Certification of Response to Commission Staff's First Request for Information

I hereby certify that I have supervised the preparation of Rowan Water's Response to the Commission Staff's First Request for Information. This Response is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Bryan Logan, P.E.
Registered Professional Engineer
State of Kentucky No. 13540

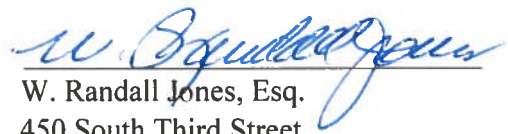
Respectfully Submitted,
Rubin & Hays

By 

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CERTIFICATE OF SERVICE

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that Rowan Water, Inc.'s electronic filing of the foregoing Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Kentucky Public Service Commission on November 26, 2019; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding; and that on or before November 28, 2019, this Response in paper medium will be delivered to the offices of the Kentucky Public Service Commission in Frankfort, Kentucky.



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