

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

ELECTRONIC TARIFF FILING OF CITY)
OF AUGUSTA REVISING ITS) Case No. 2020-00277
WHOLESALE WATER SERVICE RATES)

CITY OF AUGUSTA’S REPLY IN SUPPORT OF ITS MOTION TO STRIKE

The City of Augusta, by counsel, respectfully submits the following Reply in support of its motion to strike, filed on February 10, 2021.

Augusta believes that Bracken District’s Request for Information, as amended, exceeds the scope of the Commission’s directive that was articulated in its Order dated February 1, 2021. The Commission stressed the importance of balancing the expenses related to this matter and the benefits they are likely to obtain. Looking at the totality of Bracken District’s request, it does not meet that balancing test.

Notably, the request contains numerous issues that were not raised in Bracken District’s Motion for Ruling and Establishment of a Procedural Schedule (“Motion”), filed on January 20, 2021. For example, in that Motion, Bracken District suggested that it had information related to whether Augusta was “properly or efficiently operating and maintaining its water treatment facility” and wanted to review “Augusta’s operational and maintenance practices and their resulting costs.” In its Reply supporting the Motion, Bracken District identified a figure from a Division of Water report that seemingly suggested the cost to produce water was lower than Augusta’s proposed rate to the water district. Although Bracken District asked one question

about the cost-to-produce figure from the DOW report,¹ it asked dozens of other questions that were unrelated to that issue or to whether Augusta was “properly or efficiently operating and maintaining its water treatment facility.” Bracken District’s amended request far exceeded the scope of what the utility initially pled.

Augusta also disagrees with Bracken District’s characterization of conversations between the parties’ counsel on Friday, February 12, 2021; however, that disagreement need not be resolved to address the issue pending before the Commission—specifically, whether Bracken District’s Request for Information is appropriate given the Commission’s admonition. If the Commission believes that the Request is appropriate, Augusta will abide by the Commission’s decision.

Respectfully submitted,

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¹ That figure did not include expenses related to property and liability insurance, depreciation, or debt service—all of which are appropriately recovered in the wholesale rate to Bracken District. This explains why the proposed wholesale rate is different than the cost-to-produce amount, and will be addressed in response to the Commission Staff’s request for information.

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8(7), this is to certify that the February 16, 2021, electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on February 16, 2021; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding. Paper copies of the foregoing shall be filed in the Commission's offices within 30 days after the state of emergency is lifted, which is consistent with the findings in Case No. 2020-00085.



COUNSEL FOR CITY OF AUGUSTA