

COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF SOUTH LOGAN)
WATER ASSOCIATION, INC. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY TO CONSTRUCT A SYSTEM) Case No. 2022 - 00103
IMPROVEMENTS PROJECT AND AN ORDER)
APPROVING A CHANGE IN RATES AND)
AUTHORIZING THE ISSUANCE OF SECURITIES)
PURSUANT TO KRS 278.023)**

** *** **** ***** **** *** **

RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

The Applicant, South Logan Water Association, Inc., ("South Logan Water"), by Counsel, files this Response to the April 27, 2022 Commission Staff's First Request for Information as follows:

Responding Witness to all Requests: Rebecca Ferguson, South Logan Water Office Manager.

Request No. 1. Provide a schedule in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible showing that South Logan Water will meet the debt service coverage requirements of its lenders (existing and proposed long-term debt) for the three years following completion of its proposed construction project. Include all calculations, assumptions (customer growth and increases in operating expenses), and workpapers used by South Logan Water in its response.

Response No. 1. See Excel file SLWA Debt Service Computation - without depreciation.xlsx which is being filed separately with this Response.

Request No. 2. Provide a schedule in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible showing South Logan Water's debt service coverage (existing and proposed long-term debt), including full recovery of its depreciation expense (existing plant and the completed project) for the three years following completion of its proposed construction project. Include all calculations, assumptions (customer growth and increases in operating expenses), and workpapers used by South Logan Water in its response.

Response No. 2. See Excel file SLWA Debt Service Computation - with depreciation.xlsx which is being filed separately with this Response.

Request No. 3. Provide a three-year projected average debt service coverage calculation including all current debt of South Logan Water, including the financing approved in this case using the table below.

Response No. 3. See Excel file SLWA Average Debt Service Coverage.xlsx which is being filed separately with this Response.

Request No. 4. Commission Regulation 807 KAR 5:069, Section 2(6)(c), provides that 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 with all formulas, columns, and rows unprotected and fully accessible, showing revenue at current rates and at proposed rates based on actual and forecasted water usage for the existing system for 12 months as contained in the Kentucky Guide 7 Summary Addendum that was provided to the United States Department of Agriculture Rural Development (RD).

Response No. 4. See Excel spreadsheets titled Revenue Forecasts - 2019 data per SA and Revenue Forecasts - 2021 per FER which are being filed separately with this Response.

Request No. 5. Refer to South Logan Water's 2020 Annual Report, page 57, line 21, which indicates that South Logan Water's total water loss percentage is 23.70 percent.

(a) Provide a comprehensive description of South Logan Water's efforts to reduce water loss.

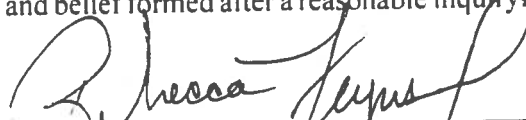
Response No. 5(a). See Exhibit "A" attached hereto. South Logan Water's preliminary 2021 Annual Report shows a water loss in 2021 of 14.7%. South Logan Water's 2020 water loss percentage is not reflective of a typical year due to the numerous impacts from the pandemic.

(b) Provide the anticipated reduction to water loss that will occur due to the proposed Project.

Response No. 5(b). The proposed Project's purpose is not to specifically address water loss issues with the South Logan system, but instead to provide water service to an unserved roadway. The Project does include the addition of a new and additional master meter vault with SCADA. This installation will be in addition to the other 8 SCADA monitored sites. All of these sites allow the operators to trend daily water usage and aid in their quick identification of line breaks, losses, etc. Accordingly, the proposed Project will be beneficial in South Logan's efforts to reduce water loss.

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

I, the undersigned, hereby certify that I have supervised the preparation of South Logan 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.

A handwritten signature in black ink, appearing to read "Rebecca Ferguson". The signature is written in a cursive style with a large, looping initial "R".

Rebecca Ferguson, Office Manager

Respectfully Submitted,
Rubin & Hays

By 

W. Randall Jones, Esq.
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7534
Fax: (502) 569-7555
Counsel for South Logan Water Association
wrjones@rubinhays.com

CERTIFICATE OF SERVICE

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that South Logan Water Association's electronic filing of the foregoing Response is a true and accurate copy of the document being electronically filed and transmitted to the Kentucky Public Service Commission on May 12, 2022; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding.



W. Randall Jones, Esq.
Rubin & Hays
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7534
Fax: (502) 569-7555
Counsel for South Logan Water Association
wrjones@rubinhays.com

EXHIBIT A

Water Loss Efforts

WATER LOSS PROCESS

-In the year 2021, we repaired 41 service line leaks

-When leaks are found, they are repaired promptly

-Nightly leak detection is performed when a zone has high overnight numbers for at least 5 consecutive days. After the leak has been "narrowed down" to one road between valves, we start sounding each meter.

-I have a good relationship with farmers in our system. I have asked them to raise their rippers for at least two rounds close to the road edges so as not to hit our lines. Also, they know about how important valves are and to stay away and off them.

-I have created two charts: one has total usage per zone, and one is overnight flatline data (usage is lower at night). This data is recorded daily from SCADA. We have been recording this for two years.

-We sound hydrants and valves regularly in case they have been "bumped" or run over.

-We have found several lost or abandoned meters not in the system. I got permission from the property owner and took the service back to the corp. If they wanted to keep the meter, we have them on gps and check periodically for leaks.

-We bought a pressure logger to temporarily install on properties to check pressures on a residence and compare to our pressure that is stated on SCADA. If they are not close, we start checking for leaks.

-Zones that we cannot monitor by SCADA, are sounded by turning valves for "noise" or we sound each meter, hydrant and valve. We perform every 3-4 months.

-All valves are "worked" in the system yearly. We sound for leaks and perform maintenance (turn valves, make sure casing has not shifted, paint tops and place markers) this will hopefully aid farmers, road crews and mowers to see valves.

-Hydrants are painted so people can see them. We install breakaway hydrants in case they are struck, it will not cause a water problem. Locks have been installed on hydrants outside of the city limits. This prevents loss of water very much!

-We drive all our roads once a week to protect our lines. We want to make sure fences are not being built, culverts placed, woods being cleared, construction, etc. We monitor our system closely.

-The office and outside operators stress the importance of calling 811 to everyone.

-I have a good working relationship with local fire departments, police, bus drivers and other utilities (water, electricity, gas and phones). They all have my phone number to let me know they see water problems.

-All active meters were changed out by the end of 2020 to Ipearl meters. 10 gallon read

-Line locates are printed, painted, flagged and filed as they come in.

-We do have a main line break; it is called in as an emergency and we repair as soon as the utilities mark them.

A master meter added to the project on 431 will help us to monitor an area we have only been able to sound meters. Sounding each meter is very time consuming. This will help us to see a leak on SCADA, find it and fix it faster.