

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

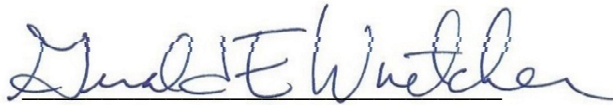
**ELECTRONIC BIG SANDY WATER )**  
**DISTRICT'S UNACCOUNTED-FOR WATER ) CASE NO. 2022-00301**  
**LOSS REDUCTION PLAN, SURCHARGE AND )**  
**MONITORING )**

**RESPONSE TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Big Sandy Water District submits its Response to Commission Staff's First Request for Information.

Dated: August 25, 2023

Respectfully submitted,



Gerald E. Wuetcher  
Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801  
Telephone: (859) 231-3017  
Fax: (859) 259-3517  
gerald.wuetcher@skofirm.com

*Counsel for Big Sandy Water District*

**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on August 25, 2023 and that there is currently no party that the Public Service Commission has excused from participation by electronic means in this proceeding.



*Counsel for Big Sandy Water District*



# BIG SANDY WATER DISTRICT

## Response to Commission Staff's First Request for Information Case No. 2022-00301

Question No. 1

Responding Witness: Jessica Sexton

**Q-1. Refer to the bank statement filed as part of the Monthly Surcharge Report on August 15th, 2023. Explain the source of the \$1,558 deposited into the surcharge account on July 7, 2023, and the reason it was deposited into the account.**

A-1. On May 30, 2023 the Commission approved the use of surcharge proceeds for certain expenditures related to Big Sandy Water District's water loss control plan. Among the authorized uses was the purchase of a truck for use in leak detection and repair work. In its Amended Infrastructure Improvement Plan, Big Sandy Water District had estimated the cost of this truck as \$65,000. On July 1, 2023, Big Sandy Water District purchased a 2023 F350 at a total cost of \$66,558. Out of an abundance of caution, the District replenished the Surcharge fund \$1,558.00 out of its General Revenue Fund, which reflected the amount that the actual cost exceeded the estimated cost. Big Sandy Water District was unclear as to whether the Commission's authorization strictly limited the use of the funds to estimated costs and prohibited reimbursement from the Surcharge Account for amounts that exceeded the estimated costs. Big Sandy Water District explained its action in the transmittal letter (Read1st.pdf) that accompanied the filing of its report for June 2023, which was filed with the Commission on July 13, 2023.

After further review of the Commission's Order of May 30, 2023 and consultation with legal counsel, Big Sandy Water District proposes to transfer the \$1,558 from the Surcharge Account back to its General Revenue Fund Account. The District believes that the purchase of the truck at the actual price was consistent with the spirit and intent of the Commission's Order of May 30, 2023. As the difference between the actual cost and the **estimated cost** is immaterial, the surcharge funds should have been used to pay the full cost of the truck and no reimbursement from General Revenue Fund Account was required.