COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF ALLEN COUNTY	**)**
WATER DISTRICT FOR A CERTIFICATE OF	**)**
PUBLIC CONVENIENCE AND NECESSITY TO	**)**
CONSTRUCT A SYSTEM IMPROVEMENTS PROJECT	**)Case No. 2024-00118**
AND AN ORDER AUTHORIZING THE ISSUANCE	**)**
OF SECURITIES PURSUANT TO KRS 278.300	**)**

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

RESPONSE TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

The Applicant, Allen County Water District ("Allen District"), by Counsel, files this Response to the July 30, 2024 Commission Staff's Second Request for Information set forth below.

Request No. 1. Provide the anticipated accounting journal entries for (1) demolition of the existing tank, and (2) write-off or retirement of the existing tank as of the projected date that the tank is removed from service. Detail any salvage costs expected from the existing tank.

Witness: Adam Nunn, General Manager, Allen District

Matthew R. Curtis, P.E., Bluegrass Engineering, PLLC

Response No. 1. See the attached proposed accounting journal entries. There are no salvage costs expected from the demolition of the existing tank.

Request No. 2. Refer to Allen District's response to Commission Staff's First Request for Information, Item 1 and Item 2. Allen District stated that the asset is identified as "100W with Date Acquired of 06/30/1995" and has a current book value at the end of 2023 of $187,935.68. The

referenced asset reflected a net book value of $110,550 on December 31, 2019. Provide the calculations that support Allen District's response designating the current book value as $187,935.68.

Witness: Matthew R. Curtis, P.E., Bluegrass Engineering, PLLC

Response No. 2. The current book value of $187,935.68 was incorrectly labeled. It should have been labeled End of Year Depreciation Value for 100W. The net book value is $88,440.36 calculated as follows: net book value as of December 31, 2019 of $110,550.44 minus straight line depreciation value of $5,527.52 times 4 years equals $88,440.36.

Verification of Response to Commission Staff's Second Request for Information

The undersigned, Adam Nunn, states that he is the General Manager of the Allen County Water District and that he has personal knowledge of the matters set forth in the Responses for which he is identified as the witness, and the answers contained in said Responses are true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry.

Adam Nunn, General Manager
Allen County Water District

Verification of Response to Commission Staff's Second Request for Information

The undersigned, Matthew R. Curtis, P.E., states that he is a registered professional engineer with the firm of Bluegrass Engineering, PLLC, and that he has personal knowledge of the matters set forth in the Responses for which he is identified as the witness, and the answers contained in said Responses are true and accurate to the best of his knowledge, information, and belief formed after a reasonable inquiry.

Matthew R. Curtis, P.E.
Bluegrass Engineering, PLLC
Registered Professional
Engineer, State of Kentucky
No. 25,716

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 the Allen County Water District's electronic filing of the foregoing Response is a true and accurate copy of the same document being electronically transmitted to the Kentucky Public Service Commission on August 7, 2024; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding.

_____

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ACWD
Proposed Journal Entries
Case No. 2024-00118

	Acct #	Dr	Cr
Accumulated depreciation - Utility Plant	346	211,091.04	
Distrib. Reservoir & Standpipes	330		276,376.04
Distrib. Reservoir & Standpipes	330		70,189.35
Loss on disposition - Utility Plant	414	135,474.35	

To write-off the cost of the Walkers Chapel tank ($276,376.04) and rehab ($70,189.35) and related estimated accumulated depreciation to May 31, 2025 - estimated demolition date.

Contract services - Transmission	635.5	30,000	
Accounts payable	231		30,000

To record the estimated costs of demolition of the Walkers Chapel Tank

	Asset Cost	Accumulated Depreciation 12/31/2023	Depreciation Expense Fye 12/31/24	Depreciation Expense 5 Mos. Ending 5/31/2025	Accumulated Depreciation 5/31/2025
Asset					
Tank 100W	276,376.04	187,935.68	5,527.52	2,303.15	195,766.35
Walkers Chapel Rehab	70,189.35	13,336.00	1,403.79	584.90	15,324.69
	346,565.39	201,271.68	6,931.31	2,888.05	211,091.04

Assumptions:
Estimated tank construction completion date - 5/31/25
Start date - 9/1/24 - 9 Mos.