

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Re: ELECTRONIC TARIFF FILING OF THE CITY OF)
 AUGUSTA TO INCREASE THE WHOLESALE) CASE NO. 2024-00349
 WATER RATE CHARGED TO BRACKEN)
 COUNTY WATER DISTRICT

THE CITY OF AUGUSTA’S SUPPLEMENTAL REQUEST FOR INFORMATION
TO BRACKEN COUNTY WATER DISTRICT

The City of Augusta (“Augusta”) submits these supplemental requests for information to Bracken County Water District (“Bracken County”) to be answered in accordance with the following Definitions and Instructions.

DEFINITIONS

1. Whenever it is necessary to bring within the scope of these information requests documents that might otherwise be construed to be outside their scope (1) the use of “and” as well as “or” shall be construed both disjunctively and conjunctively; (2) the use of a word in its singular form shall be construed to include within its meaning its plural form as well, and vice versa; (3) the use of “include” and “including” shall be construed to mean “without limitation”; and (4) the use of a verb in any tense or voice shall be construed as the use of that verb in all other tenses and voices.

2. “Augusta” means the City of Augusta.

3. “Bracken County” means the Bracken County Water District.

4. “Document” means any written, recorded, transcribed, printed or impressed matter of whatever kind, however produced, stored or reproduced, including, but not limited to, sound or pictorial recordings, computerized information, books, pamphlets, letters, memoranda, telegrams, electronic or mechanical transmissions, communications of all kinds, reports, notes, working

papers, handwritings, charts, papers, writings, printings, transcriptions, tapes and records of all kinds. Document includes, without limitation, all workpapers produced by or relied upon by any witness.

5. “Person” includes a natural person, a business organization of any type, an unincorporated association, a governmental subdivision, agency, or entity, and a business trust.

6. Wherever in these information requests you are asked to “identify,” you are requested:

- a. when identifying a person, to give such person’s:
 - i. full name,
 - ii. business address, residence address, and telephone number,
 - iii. his or her present or last known position and business affiliation at the time in question; and
 - iv. the nature of such person’s participation in, and the scope of his responsibility with regard to, the facts and events underlying the present case;
- b. when identifying an oral communication, to:
 - i. identify the author thereof and the parties thereto,
 - ii. state the date of the communication,
 - iii. state the place of the communication,
 - iv. state the substance of the communication, and
 - v. state whether such communication has been reduced to writing and, if so, identify each document and the present custodian thereof;
- c. when identifying other information, to state:

- i. the source thereof,
 - ii. any oral communications pertaining thereto,
 - iii. any documents pertaining thereto, and
 - iv. the substance of the information;
- d. when identifying a document, to:
 - i. identify the author thereof and the parties thereto,
 - ii. state its title or other identifying data,
 - iii. state the date of the document or if no date appears thereon, the approximate date,
 - iv. state the exact nature and substance thereof,
 - v. identify each person having possession, care, custody, or control of the original and any copies thereof, and
 - vi. if such document was, but no longer is, in your possession or subject to your control, state what disposition was made of it.

INSTRUCTIONS

1. If any Document called for by any of these data requests is withheld based upon a claim of privilege or work product, please produce so much of the Document as to which you do not claim privilege or protection, and for each Document or part of a Document for which you claim privilege or protection, and for each Document or part of a Document for which you claim privilege or protection, describe, or identify:

- a. The nature, subject matter, and substance of the Document or part of the Document withheld;
- b. The nature of the privilege or protection claimed;

- c. The date, author or authors, addresses or addresses, and distribution of the Document;
- d. Each person in whose possession, custody or control any copy of the Document is or has been; and
- e. Paragraph number of the schedule of Documents to which the Document or part of the Document is responsive.

2. If, for reasons other than a claim of privilege or work product, you refuse to answer any data request or to produce any Document requested, state the grounds upon which the refusal is based with sufficient specificity to permit a determination of the propriety of such refusal.

3. If any copy of any Document requested herein or any record which refers or relates to any Document requested herein has been destroyed or lost, set forth to the extent possible the content of each such Document, the date such Document and its copies were destroyed or lost and, if destroyed, the identity of the person authorizing such destruction, and the identity of the last known custodian of such Document prior to its destruction.

4. These data requests shall be deemed continuing and you should serve upon Augusta's counsel (1) supplemental responses to these data requests if additional information or information that changes your response to any data request is obtained during the course of this proceeding, and (2) any documents requested herein that become available or that are discovered after the date your responses to these data requests are due.

REQUEST FOR INFORMATION

1. Please identify all sources of water sold by Bracken County for calendar years 2022 - 2025, including any production of water directly by Bracken County and water purchased by Bracken County, and identify the amount of water Bracken County obtained from each source for calendar years 2022 – 2025.

2. Refer to the May 2, 2012 Water Purchase Contract between Bracken County Water District Division I and II, and the City of Brooksville, as filed with the Kentucky Public Service Commission (the “Brooksville Contract”).¹

- a. Identify the amount of water sold by Bracken County to the City of Brooksville in calendar years 2022 – 2025.
- b. Identify the amount of water sold by Bracken County to the City of Brooksville in calendar years 2022 – 2025 that Bracken County originally purchased from the City of Augusta.
- c. Identify the profit margin, by a percentage, on the water originally purchased from the City of Augusta when sold to the City of Brooksville at the rate of \$3.69 per 1,000 gallons stated in the Brooksville Contract.
- d. Identify the gross amount of profit made by Bracken County by reselling water originally purchased from the City of Augusta pursuant to the Brooksville Contract for each calendar year 2022 - 2025.
- e. Identify each modification to the rate stated in the Brooksville Contract since its execution, as authorized by Section C.5. of the Brooksville Contract.

¹ Available at:
https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/Bracken%20County%20Water%20District/xContracts/City%20of%20Brooksville/2012-05-02_Water%20Purchase%20Contract.pdf.

- f. Please identify the proceeding in which Bracken County was authorized by the Kentucky Public Service Commission to enter into the Brooksville Contract.
 - g. Please identify each reason the Brooksville Contract was executed May 2, 2012, but not filed with the Kentucky Public Service Commission until January 8, 2016.
- 3. Refer to the February 3, 1988 Contract for Water Services between Brooksville Green Apartments and Bracken County Water District No. 1, as filed with the Kentucky Public Service Commission (the “Brooksville Apartments Contract”).
 - a. Identify the current rates charged by Bracken County pursuant to the Brooksville Apartments Contract.
 - b. Identify the amount of water sold by Bracken County to the Brooksville Apartments Contract in calendar years 2022 – 2025.
 - c. Identify the amount of water sold by Bracken County to the Brooksville Green Apartments in calendar years 2022 – 2025 that Bracken County originally purchased from the City of Augusta.
 - d. For calendar years 2022 – 2025, identify the gross amount of profit made by Bracken County by reselling water originally purchased from the City of Augusta pursuant to the Brooksville Green Apartments.
- 4. Refer to the May 27, 2008 Water Purchase Contract between Bracken County Water District and East Pendleton Water District, as filed with the Kentucky Public Service Commission (the “East Pendleton Contract”).
 - a. Identify the amount of water sold by Bracken County to East Pendleton Water District in calendar years 2022 – 2025.

- b. Identify the amount of water sold by Bracken County to East Pendleton Water District in calendar years 2022 – 2025 that Bracken County originally purchased from the City of Augusta.
 - c. Identify the profit margin, by a percentage, on the water originally purchased from the City of Augusta when sold to East Pendleton Water District at the rate of \$2.72 per 1,000 gallons stated in the East Pendleton Contract.
 - d. Identify the gross amount of profit made by Bracken County by reselling water originally purchased from the City of Augusta pursuant to the East Pendleton Contract.
 - e. Identify each modification to the rate stated in the East Pendleton Contract since its execution, as authorized by Section C.3. of the East Pendleton Contract.
 - f. Please identify the proceeding in which Bracken County was authorized by the Kentucky Public Service Commission to enter into the East Pendleton Contract.
 - g. Please identify each reason the East Pendleton Contract was executed May 27, 2008 but not filed with the Kentucky Public Service Commission until January 12, 2016.
5. Refer to Bracken County's Tariff as filed with the Kentucky Public Service Commission, PSC KY No. 1, 34th Revised Sheet No. 2, as approved by the Kentucky Public Service Commission in Case No. 2021-00415 (the "Tariff").
- a. Please identify the Wholesale Water Rate approved by the Kentucky Public Service Commission when converted to a charge per 1,000 gallons.
 - b. Please identify the gross profit margin, by a percentage, on the water originally purchased from the City of Augusta at the current rate of \$2.36 per 1,000 gallons when sold by Bracken County at the Wholesale Water Rate approved in the Tariff.

- c. Please identify the gross profit margin, by a percentage, on the water originally purchased from the City of Augusta if sold at the requested rate of \$3.181 per 1,000 gallons when sold by Bracken County at the Wholesale Water Rate approved in the Tariff.
 - d. Please identify the number of gallons of water sold by Bracken County at the Wholesale Water Rate approved in the Tariff for each year from 2022 through 2025.
6. Refer to Bracken County's 2023 Annual Report, as filed with the Kentucky Public Service Commission.²
- a. Identify the net operating income of Bracken County for year 2023.
 - b. Identify the portion of that net operating income attributable to sales of water originally purchased from the City of Augusta.
 - c. Identify, as a percentage, the portion of total operating revenues that Bracken County recognized as operating income in calendar year 2023.
7. Please refer to Bracken County's Response to the City of Augusta's Requests for Information, Response to Request No. 2, filed in this proceeding on March 12, 2025, wherein Bracken County stated that the wholesale water rate of purchase from Western Mason Water District is lower than the City of Augusta's rate.
- a. Please state whether Bracken County intends to request a rate adjustment from the Public Service Commission to reflect the decrease in water costs to Bracken County since its last rate adjustment. If not, explain why not.

² https://psc.ky.gov/Utility_Financial_Reports_Net/uploaded/support/SD_19050_2023_1.pdf.

8. Please state whether Bracken County pays a different volumetric charge for purchased water from either the City of Augusta or Western Mason Water District based upon the amount of water that it purchases, or whether Bracken County pays a flat rate.

a. If Bracken County pays a flat rate, please state Bracken County's justification for imposing higher volumetric charges on residential customers of Bracken County that use lower amounts of water.

9. Please state, as a percentage, the gross profit margin on a gallon of water purchased from Western Mason Water District when resold to a residential customer of Bracken County Water District using the 2,001st gallon of water in a month.

10. Please state, as a percentage, the gross profit margin on a gallon of water purchased from the City of Augusta when resold to a residential customer of Bracken County Water District using the 2,001st gallon of water in a month.

11. Please state whether Bracken County Water District's rates are based upon the cost of service to each class of customers.

12. Please state whether Bracken County Water District agrees or disagrees that utility rates should be set based upon the cost of service.

13. Please state whether Bracken County Water District recovers its depreciation costs through its rates.

14. Please state whether Bracken County Water District believes a utility should be authorized to recover the cost of depreciation through its rates.

15. Please state whether Bracken County Water District sought recovery of its rate case expenses in its last rate case proceeding, Case No. 2021-00415.

16. Please state whether the Public Service Commission approved Bracken County Water District's request to amortize rate case expenses in Case No. 2021-00415.

17. Please state whether the rate case expenses for which Bracken County sought recovery in Case No. 2021-00415 were greater or less than the rate case expenses for which recovery is sought by the City of Augusta in this proceeding.

Respectfully submitted,

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Certification

I hereby certify that a copy of this filing has been served electronically on all parties of record through the use of the Commission's electronic filing system, and there are currently no parties that the Commission has excused from participation by electronic means. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085, a paper copy of this filing has not been transmitted to the Commission.

/s/ M. Evan Buckley

Counsel to the City of Augusta, Kentucky