

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTHERN	)	
KENTUCKY WATER DISTRICT FOR AN	)	CASE NO.
ADJUSTMENT OF RATES; ISSUANCE OF	)	2018-00291
BONDS; FINANCING; AND TARIFF REVISIONS	)	

COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION  
TO NORTHERN KENTUCKY WATER DISTRICT

Northern Kentucky Water District (Northern Kentucky District), pursuant to 807 KAR 5:001, shall file with the Commission the original and an electronic version of the following information. The information requested is due within ten days of the date of this request. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Northern Kentucky District shall make timely amendment to any prior response if it obtains information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Northern Kentucky District fails or refuses to furnish all or part of the requested information, Northern Kentucky District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a document containing personal information, Northern Kentucky District shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the document so that personal information cannot be read.

1. Refer to Northern Kentucky District's response to Commission Staff's Fourth Request for Information (Staff's Fourth Request), Item 2, which included Northern Kentucky District's firm contracts for chemicals. The contracts referenced the vendors had winning bids but did not provide the product pricing. Provide a detailed pricing schedule for each contract.

2. In its application, Northern Kentucky District proposed a \$149,888.00 adjustment to the chemical expense using a three-year average of chemical expense based on actual chemical expenses between July 1, 2015, and June 30, 2018, rather than using the chemical expenses incurred in the test year of July 1, 2017, through June 30, 2018.

a. Explain in specific detail the basis for the upwards adjustment in chemical expenses given that customer water consumption is declining.

b. Explain in specific detail what the difference is and why there is a difference between the test-year chemical expense and the three-year average chemical expense.

c. Explain why Northern Kentucky based the three-year average on two six-month periods and two full-year periods instead of three calendar years.

d. Confirm that the calendar year chemical expense for 2015 was \$2,844,729, \$2,308,355 for 2016, and \$2,361,133 for 2017.

e. Confirm that the test-year chemical expense was \$2,212,149.

3. Refer to the response to Staff's Fourth Request, Item 3, which compares the percentage of salary increases in 2017 and 2018 to the operations and maintenance (O&M) budget.

a. Provide a comparison of annual salary and wage increases to the total budget, the O&M budget, and the budget for labor costs for each of the years 2013–2017.

b. Provide a comparison of annual salary and wages percentage and dollar increases to Northern Kentucky's total labor cost budgets for each of the years 2013–2017. The salary and wages should not include benefits or taxes.

c. Provide the salary and wage percentage increases for each of the years 2013–2017, and the current salary and wage percentage increase approved by the Board. Provide the total amount per year and broken out by labor class, i.e., hourly/salary exempt and hourly/salary non-exempt.

d. Provide the information requested in the above requests in paper format and Excel spreadsheet format with all formulas intact and unprotected, and all columns and rows accessible.

Gwen R. Pinson

Gwen R. Pinson  
Executive Director  
Public Service Commission  
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DATED FEB 28 2019

cc: Parties of Record

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