

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR 06 2013

PUBLIC SERVICE
COMMISSION

In The Matter Of:

**THE APPLICATION OF THE
MARTIN COUNTY WATER
DISTRICT FOR ALTERNATIVE
RATE ADJUSTMENT**

Case No. 2018-00017

**MARTIN COUNTY CONCERNED CITIZENS, INC.'S INITIAL REQUESTS FOR
INFORMATION FROM MARTIN COUNTY WATER DISTRICT**

Martin County Concerned Citizens, Inc. ("MCCC"), by and through counsel, submits these requests for information to the Martin County Water District ("MCWD") pursuant to 807 KAR 5:001 Sec. 4(12).

MCCC requests that the information sought be provided to the Commission and MCCC within 21 days of the date of this request or at such other time as may be ordered by the Commission. Further, MCCC requests that the responses to these data requests comply with the following:

1. Responses to requests for information shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to questions related to the information provided. Copies shall be sent to MCCC and the original and one copy shall be provided to the Commission.
2. 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, shall be accompanied by a signed certification of

the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of the person's knowledge, information, and belief formed after reasonable inquiry.

3. MCWD 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.
4. For any request that MCWD refuses to furnish all or part of the requested information, MCWD shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.
5. Where the response to the requests consists of information or a statement that is already in the Commission's record or is otherwise publicly available, provide a detailed citation to the document or other resource that contains the information. Such citation shall include the title of the document and the relevant page number. If the document is publicly available online, provide the URL and a notation of when the URL was last accessed by MCWD.
6. In the event any document sought by MCCC has been destroyed, specify the date and the manner of such destruction, the person directing or authorizing the destruction, and the custodian of the document at the time of its destruction.

DATA REQUESTS

1. Provide all receipts for purchases from January 1, 2016 to the present.
2. Provide all records of procurement for goods or services since January 1, 2016 purchased for the Martin District conducted under Section B or C of the Martin County Utility Board's Procurement Policy & Procedures & Related Code of Ethics Provisions.
3. Provide a list of all past due accounts receivable account holders for whom the account is more than 60 days past due and for whom service has not been disconnected. MCCC is willing to enter a confidentiality agreement with regard to this data.
4. Provide an accounts receivable aging report from January 1, 2016 to the present.
5. Explain why employee benefits increased by nearly 19% from 2015 to 2016.
6. Explain why insurance costs increased by nearly 24% from 2015 to 2016.
7. Explain why bad debt expense increased by just over 26% from 2015 to 2016.
8. Provide a copy of all approved budgets, whether annual or monthly, for 2016, 2017, and 2018.
9. Provide details, including date and cost of repair, for line replacements since January 1, 2016 that were accounted for as capital expenses. If all line replacements during the period were accounted for as operating

expenses, state so affirmatively.

10. For each employee of MCWD who had wages during the test year, provide:
 - a. Employee's name;
 - b. Title;
 - c. Length of employment;
 - d. Job duties;
 - e. Test-period pay rate and current pay rate;
 - f. Test-period regular time worked and overtime worked;
 - g. Total test-period wages;
 - h. Type of employee benefits (e.g., health insurance, dental insurance, vision insurance, pension); and
 - i. The dollar value of employee benefits reported by MCWD.
11. Provide the employer retirement contribution rate(s) that were in effect during calendar years 2015, 2016, and 2017 and the date the rate(s) became effective.
 - a. If the employer retirement contribution rate changed or will change in calendar year 2018, provide the initial rate, the reason for the change, the new rate, and the effective date of the change or proposed change.
12. Identify all employees listed in the response to Item 10.a. who are no longer employed by MCWD.
13. For each employee identified in the response to Item 10.a. above:
 - a. If the employee's position has been filled, identify the employee currently in

the position and state the date on which the replacement employee(s) was hired, his or her actual annualized salary and actual benefit information, and the salary and employee benefit costs that are included in MCWD's pro forma operating expenses.

- b. If the position is currently vacant, state:
 - i. The reason(s) why the position is vacant;
 - ii. The current status of MCWD's efforts to fill the position and the anticipated hire date;
 - iii. Whether the cost of the position is included in the pro forma salaries and wage expense; and
 - iv. If the cost of the position is included in the pro forma salaries and wage expense, the position costs that are included in the test-period operating expenses (e.g., payroll expenses, payroll capitalized, retirement, payroll taxes, and insurance benefits) and the accounts to which each amount was charged.
- 14. Provide a complete copy of all wage, compensation, and employee benefits studies, analyses, or surveys conducted for or used by MCWD.
- 15. For each employee identified in the response to Item 10.a. above, state the amount, percentage of increases, and effective dates for salary increases granted for the years 2014, 2015, 2016, and 2017.
- 16. Please identify what person or persons determined the "proposed life" for assets contained in Attachment 4(c) to the Application, entitled Table A: Depreciation Expense Adjustments.

17. Please explain why the specific proposed life was assigned to each of the following assets:

	<u>Sys ID / Asset Code</u>	<u>Description</u>
a)	16 22	Concrete spillway
b)	370 03-002	Reservoir Dam Improvements
c)	17 23	River project
d)	18 24	River pump modifications
e)	19 25	River pump modifications
f)	20 26	Myers submersible pump
g)	388 04-003	Turkey Pumping Station
h)	524 07-002	PR Valves
i)	526 07-004	RW Intake Pump Service
j)	608 11-001	System Air Compressor
k)	622 12-001	RW Intake Pumps & Rehab
l)	657 657	Pit ladder
m)	645 645	Generator
n)	All	Tanks and Standpipes
o)	29 49	Glass lined Tanks
p)	353 02-007	2 Chart Recorders
q)	394 04-009	Telemetry
r)	397 04-012	Pressure Recorder
s)	447 05-021	Telemetry
t)	495 06-015	Telemetry

- u) 159 315 Bone Hollow
- v) 628 12-0007 Microcom - Telemetry
- w) 651 651 2.5" Hole Hammer
- x) 652 652 Air Compressor

18. Provide a detailed description of assets contained in the following group of assets. Include within your response whether the assets are currently in-service.

- a. 394 04-009 Telemetry
- b. 447 05-021 Telemetry
- c. 495 06-015 Telemetry

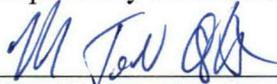
19. Please state whether MCWD factored net salvage value for any depreciable assets when calculating depreciation expense. If yes, identify where in the application materials this is reflected.

20. Identify the number of bills issued during the test year for 5/8 x 3/4 inch meters that used 2,000 gallons or less of water.

21. Identify the number of bills issued during the test year for 5/8 x 3/4 inch meters that used 1,000 gallons or less of water.

22. Please explain how MCWD calculated \$67,543 in bad debt expense.

Respectfully Submitted,



Mary Varson Cromer
 Appalachian Citizens' Law Center, Inc.
 317 Main Street
 Whitesburg, Kentucky 41858
 Telephone: 606-633-3929
 Facsimile: 606-633-3925
mary@appalachianlawcenter.org

and

STURGILL, TURNER, BARKER & MALONEY, PLLC

James W. Gardner

M. Todd Osterloh

333 W. Vine St., SUITE 1500

Lexington, Kentucky 40507

Telephone: 859-255-8581

Facsimile: 859-231-0851

jgardner@sturgillturner.com

tosterloh@sturgillturner.com

Counsel for MCCC

CERTIFICATE OF SERVICE

Pursuant to 807 KAR 5:001 Sec. 6, I, M. Todd Osterloh, hereby certify that on March 6, 2018, a true and accurate copy of the foregoing Initial Request for Information was served via electronic mail and postage-paid U.S. mail to the following:

Brian Cumbo

86 W. Main St., STE 100

P.O. Box 1844

Inez, KY 41224

cumbolaw@cumbolaw.com

Counsel for Martin County Water District



Counsel for the MCCC