

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF WATER)	
SERVICE CORPORATION OF KENTUCKY FOR A)	CASE NO.
GENERAL ADJUSTMENT IN EXISTING RATES)	2020-00160

COMMISSION STAFF'S POST-HEARING REQUEST FOR INFORMATION
TO WATER SERVICE CORPORATION OF KENTUCKY

Water Service Corporation of Kentucky (Water Service Kentucky), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on November 20, 2020. Pursuant to the Commission's Orders in Case No. 2020-00085,¹ issued March 16, 2020, and March 24, 2020, Water Service Kentucky SHALL NOT FILE the original paper copy of all requested information at this time, but rather shall file original paper copies within 30 days of the lifting of the current state of emergency. All responses 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

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 that person's knowledge, information, and belief formed after a reasonable inquiry.

Water Service Kentucky shall make timely amendment to any prior response if Water Service Kentucky obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Water Service Kentucky fails or refuses to furnish all or part of the requested information, Water Service Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Water Service Kentucky shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the response to Item 38.e. to Commission Staff's Second Request for Information. Water Service Kentucky attributes the 361.93 percent increase to the Expense Account Outside Services – Other to corporate cost allocations from the Company's parent Corix Infrastructures. Provide an itemized schedule listing each item recorded in this expense account that totals \$183,711.

2. Refer to the Excel spreadsheet provided in response to the Commission's Order dated June 26, 2020, Item 3, entitled *Response To Staff DR 1.3 – Salaries* Tab: Wp-b Ops & Mgmt Salaries and Tab: wp-b3 Shared Services. Identify the pro forma salary, annualized payroll taxes, and annualized benefits for the following employee positions.

- a. Vice President of Regulatory Affairs and Business Development
- b. Business Development Manager
- c. Director of Engineering and Asset Management
- d. Midwest Project Manager

3. Provide the following information concerning the costs for the preparation of this case. A detailed schedule of expenses incurred to date comparing the estimated costs to the actual costs incurred by Water Service Kentucky broken down into the categories listed below. For each category, the schedule should include the date of each transaction, the check number or other document references, the vendor, the hours worked, the rates per hour, the amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts, invoices, or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the test-year.

- a. Accounting;
- b. Engineering;
- c. Legal;
- d. Consultants; and
- e. Other Expenses (Identify separately).

4. Refer to the Excel spreadsheet provided in the response to Commission Staff's Second Request for Information, Item 10.f.

a. Confirm that the Excel spreadsheet only eliminated the computer depreciation associated with Project Phoenix and JD Edwards.

b. Provide a revised Excel spreadsheet eliminating the accumulated depreciation restatement for all computer assets, including those computer assets other than those associated with the Project Phoenix and JD Edwards.

5. Provide the test year amounts of the cost of the leak adjustment policy.

6. Provide the wholesale rate charged to Pineville and the amount sold to Pineville each month for the past five years.

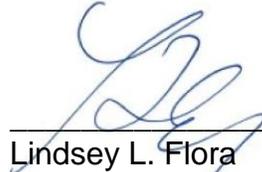
7. At the hearing, a Water Service Kentucky witness testified that 50 percent of the Employee Incentive Plan (EIP) is related to the financial performance goals. Identify the actual amount of the awarded EIP that is based on the financial performance goals and explain why the amount attributed to financial performance is different from the stated weight metric of 70 percent.²

8. Prior to the divestiture of Corix Infrastructure Inc.'s (CII) other two business lines (its unregulated services) provide the total and percentage of annual revenues of CII that each business line represented for the last three calendar years they were associated with CII.

² Water Service Kentucky's Responses to the Attorney General's Second Request for Information (filed Sept. 28, 2020), Item 20.g.

9. Provide the absolute and percentage reduction of overhead expenses following CII's divestiture of its other two, unregulated, business lines. If available, provide the figures by affiliated company and explain the largest expense reductions.

10. Refer to Water Service Kentucky's response to the Attorney General's Second Request for Information, Item 11(a), regarding the average wait time before a call is answered. For 2018 and 2019, provide the observations of wait times 1 standard deviation above and below the 2018 and 2019 averages, as well as 2 standard deviations above and below the 2018 and 2019 averages.



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DATED NOV 13 2020

cc: Parties of Record

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