

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH)	
EASTERN WATER ASSOCIATION, INC. FOR A)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR)	2021-00126
5:076)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO SOUTH EASTERN WATER ASSOCIATION, INC.

South Eastern Water Association, Inc. (South Eastern Water), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information within 14 days of the date of this request. Pursuant to the Commission's Orders in Case No. 2020-00085,¹ issued March 16, 2020, and March 24, 2020, South Eastern Water 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.

South Eastern Water shall make timely amendment to any prior response if South Eastern Water 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 South Eastern Water fails or refuses to furnish all or part of the requested information, South Eastern Water 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, South Eastern Water shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible:

a. The general ledger and trial balance for the calendar years 2019, 2020, and 2021 to date and the trial balance for the calendar years 2019, 2020, and 2021 to date;

- b. The schedule of notes and bonds payable on December 31, 2019, December 31, 2020, and the current period;
- c. All debt agreements/bond ordinances and amortization schedules, including related party debt;
- d. Insurance policies for 2019, 2020, and the current period, if available;
- e. Hours worked by each employee for the calendar year 2020;
- f. A document listing the names, job titles, job description, and pay rates for each employee on December 31, 2018, December 31, 2019, December 31, 2020, and for those currently employed;
- g. A list that describes all employee benefits, other than salaries and wages, paid to, or on behalf of, each employee for each of the previous five years;
- h. Minutes from South Eastern Water Commissioner meetings for the calendar years 2018, 2019, and the current period;
- i. A document listing the name of all commissioners for each of the five previous years, and state, individually, the total amount of each benefit paid to, or on the behalf of, each commissioner during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.); and
- j. Fiscal Court minutes approving each commissioner's appointment and compensation.

2. Provide a copy of the Adjusted Trial Balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year ended 2019 in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

3. Refer to South Eastern Water's Application, Attachment 4, Current and Proposed Rates. South Eastern Water proposes to raise its monthly water rates by an across-the-board percentage amount.

a. Provide an explanation of how the across-the-board percentage increase method to increase monthly water rates was chosen.

b. Provide a list of alternative methods to increase its monthly water rates South Eastern Water considered and an explanation why each alternative was not chosen.

4. Refer to South Eastern Water's Application, Attachment 5, Table A. Provide a breakdown for each asset group listing which asset numbers are in each sub-category.

5. Refer to South Eastern Water's Application, Attachment 5, Reference G. Provide an overview of any reasonable actions planned or taken by South Eastern Water to reduce its water loss, including any water loss reduction plan.

6. Refer to South Eastern Water's Application, Attachment 6, Current Billing Analysis.

a. Provide the billing analysis in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

b. Provide the source of the 2019 usage data presented in the Billing Analysis, and state whether any adjustments were made to the data.

c. Provide a list of any adjustments made to the data and include an explanation of each adjustment.

d. Provide a detailed breakdown of the items that are included in the Net Billing Adjustments amount of (\$83,299) in the Summary section. Include a

description of each adjustment and the method in which the amount of each adjustment was determined.

7. Refer to South Eastern Water's Application, Attachment 7, Proposed Billing Analysis. Provide a detailed explanation how the Less Net Billing Adjustment of \$87,840 was determined.

8. Refer to South Eastern Water's 2019 Annual Report, page 57, line 22, Total Other Water Used, is listed as 160,984,000 gallons, which equates to 27.6 percent of the water purchased by South Eastern Water.²

a. Provide a detailed explanation how the amounts were determined for each of the categories listed as Other Water Used.

b. Provide copies of all documents relied upon to support the amounts of water usage for each of the categories listed as Other Water Used.

c. Provide the basis for any usage amount that is estimated.

9. Refer to South Eastern Water's revised Attachment 12, filed March 17, 2021. The attached ARF Form-3s indicate each commissioner has a party interest.

a. Include a detailed explanation of each individual commissioner's party interest.

b. Provide a detailed explanation of how decisions are made when all commissioners refrain from voting on areas where they have a party interest.

² *Annual Report of South Eastern Water Association, Inc. for the Year Ended December 31, 2019* at 57, line 22 divided by line 4.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
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DATED APR 08 2021

cc: Parties of Record

Case No. 2021-00126

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