

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ALLEGED FAILURE OF NORTH)	
MANCHESTER WATER ASSOCIATION, INC., ITS)	
OFFICERS, STEVE DAVIS, BILL HURD, CARL)	
GREGORY HOSKINS, BOBBY WOLFE, HENRY)	CASE NO.
SMITH, TED WOODS, CARL DAVID)	2021-00339
CRAWFORD, AND ITS MANAGER, JERRY RICE,)	
TO COMPLY WITH KRS 278.140, KRS 278.230,)	
807 KAR 5:006, SEC. 4, AND KRS 278.990)	

COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
TO NORTH MANCHESTER WATER ASSOCIATION, INC.

North Manchester Water Association, Inc. (North Manchester Water), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on October 10, 2022. The Commission directs North Manchester Water to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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

North Manchester Water shall make timely amendment to any prior response if North Manchester 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 North Manchester Water fails or refuses to furnish all or part of the requested information, North Manchester 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, North Manchester 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. Refer to North Manchester Water's response to Staff's Second Request for Information (Staff's Second Request), Item 5. The response states Tim Woods is the accountant for the utility. Provide a list of Mr. Woods' responsibilities. Provide the compensation Mr. Woods receives for accounting services.

2. Refer to North Manchester Water's response to Staff's Second Request, Item 5. The response indicates there is no written contract for Mr. Woods' services. Explain how Mr. Woods was retained as the accountant. If there was a verbal contract, provide details about the parties and the terms. If there was a board vote, provide the minutes of the meeting.

3. Provide a list include the names and positions of all office personnel. Provide the responsibilities of each staff member.

4. Refer to North Manchester Water's Annual Reports for 2017 and 2018 at page 3. The annual reports indicate the financial statements were not examined by a certified public accountant. Provide an explanation why the financial statements were not reviewed by a certified public accountant and why no audit or compilation was performed.

5. Refer to North Manchester Water's Annual Reports for 2019, 2020, and 2021. The reports indicate the financial statements were compiled by a certified public accountant. Provide an explanation of why an audit was not done.

6. At the Informal Conference held on January 11, 2022, North Manchester Water stated the documents from the years 2017 through 2020 were given to a certified public accountant to perform an audit.

- a. Provide the name of the certified public accountant.
- b. Provide the status of the audits.
- c. Provide information on whether the certified public accountant in the response above will also perform an audit for 2021.
- d. If the audits have been completed, provide the documents.

7. Refer to North Manchester Water's 2019 Annual Report. The purchase water expense was \$415,586.20 and the operating revenue was \$948,358.01. Refer to North Manchester Water's 2020 Annual Report. The purchase water expense was \$348,562.60 and the operating revenue was \$936,258.24. Explain why there was a purchase water decrease.

8. Refer to Staff's First Request for Information (Staff's First Request), Item 2. Provide the water loss reports from October 2021 to the most recent water loss report.

9. Refer to North Manchester Water's response to Staff's Second Request, Item 7(1). Provide an update to the status of the installation of zone meters.

10. Refer to North Manchester Water's response to Staff's Second Request, Item 7(2). Provide an update on the installation of the isolation valves.

11. Refer to North Manchester Water's response to Staff's Second Request, Item 7(3).

a. Provide an update to whether additional employees have been hired whose job duties include finding leaks and the repair of leaks.

b. Provide an update to the number of leaks discovered and repaired since November 2021.

12. Refer to North Manchester Water's response Staff's Second Request, Item 7(5) and Item 8.

a. Provide the most recent rate sufficiency review that has been completed.

b. Provide any Excel spreadsheets that were used to evaluate the need for a rate increase. Provide the Excel spreadsheets with all formulas, columns, and rows unprotected and fully accessible.

c. If it was determined that a rate increase is needed, explain the actions that have been taken toward filing a rate case.

d. Provide any written policy regarding the review of the financial information to determine whether North Manchester Water needs a rate increase. If there is not a written policy, explain how North Manchester Water will determine if there needs to be a rate increase.

13. Refer to North Manchester Water's response to Staff's Second Request, Item 9. Provide the written plan to improve the operations and financial health that was to be approved at the December 2021 Board Meeting. If the improvement plan has not been approved, explain why.

14. Refer to North Manchester Water's response to Staff's Second Request, Item 10.

a. Provide an update to the replacement of aged water meters.

b. Provide an update to the large meter calibrations and replacement of the older aged large meters.

c. Provide an update to the local fire departments' reporting and record keeping of the water used by the local fire departments.

d. Provide an update to the steps taken to better track the system flushing administered by North Manchester Water.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
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DATED SEP 07 2022

cc: Parties of Record

Case No. 2021-00339

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