

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTHERN)	CASE NO.
WATER AND SEWER DISTRICT FOR AN)	2022-00099
ALTERNATIVE RATE ADJUSTMENT)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO SOUTHERN WATER AND SEWER DISTRICT

Southern Water and Sewer District (Southern District), 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 August 12, 2022. The Commission directs Southern District 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 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

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).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Southern District shall make timely amendment to any prior response if Southern District 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 Southern District fails or refuses to furnish all or part of the requested information, Southern District 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, Southern District 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 Southern District's response to Commission Staff's First Request for Information (Staff's First Request), Item 1a, 2021 General Ledger.

- a. Provide a copy of the contract under which Southern District bills its customers for garbage service that is recorded to general ledger account 47402, Garbage Sales Revenue. Confirm that Southern District remits the payments for billed amounts to Floyd Co Solid Waste and records them in general ledger account 60001, Solid Waste Payments.

b. Provide a copy of any invoice from Floyd Co Solid Waste for the payment made on December 17, 2021, for \$67,433.43. If no invoice exists, provide the information and calculations that this payment was based on.

c. State whether Southern District has any legal liability to Floyd Co Solid Waste for services provided for which payment from customers has not been received.

d. Describe what recourses Southern District or Floyd Co Solid Waste have (if any) for a customer's failure to pay for garbage removal services.

2. Refer to Southern District's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 5, Accounts Receivable Aging.

a. Explain why the reported balance of \$1,284,848.11 in the 91+ days column and described as "Old Delinquent" is not a component of Southern District's computerized receivables system and is reported as a separate item from other 91+ days receivables in the schedule.

b. Provide a table that shows the distribution of the \$1,284,848.11 accounts receivable balance that separately totals water, sewer, garbage, and other.

c. Provide the number of active customers that are delinquent and total delinquent amount for each component of the \$1,248,848.11 balance for water, sewer, garbage, and other.

d. Provide the number of inactive customers that are delinquent and total delinquent amount for each component of the \$1,248,848.11 balance for water, sewer, garbage, and other.

e. State the amount of the \$1,248,848.11 balance that Southern District believes is uncollectible that exceeds the Provision for Uncollectible Accounts (account 14501) that reflected a balance of \$364,165.58 as of December 31, 2021.

f. Describe the current management's specific efforts to collect the Old Delinquent amounts.

3. Refer to Southern District's response to Staff's First Request, Item 1a, 2021 General Ledger. Additionally, refer to Case No. 2020-00228² Southern District's August 10, 2020 response to the Order of July 20, 2020 and First Amendment to Asset Purchase Agreement (First Amendment).

a. Confirm whether the balance of \$103,763.89 in general ledger account 23117, A/P – PCUC Sewer Revenue is the same liability that is referred to in the First Amendment with payment terms of \$2,500 per month.

b. If this cannot be confirmed, describe each of the accounts payable liabilities included in the general ledger account.

c. If confirmed, state whether Southern District believes this liability should be included as a note payable that should be part of the revenue requirement in this case.

4. Refer to Southern District's response to Staff's Second Request, Item 10, and the Application, Attachment 5_Current_Billing_Analysis.pdf.

² Case No. 2020-00228, *Electronic Investigation into Transfer of Ownership to Prestonsburg City Utilities Commission of the Wastewater System and Certain Portions of the Water System of Southern Water and Sewer District Pursuant to KRS 278.250 and KRS 278.390* (filed Aug. 10, 2020) Response to PSC's Order Dated July 20, 2020.

a. In the response to Item 10, Southern District states that adjustments amounting to approximately 3,304,000 gallons of water were made to customer accounts per the Leak Adjustment Policy. Confirm that the adjustment for the Leak Adjustments of 3,304,000 gallons has not been made in the 5_Current_Billing_Analysis.pdf.

b. If the response above can be confirmed, explain why an adjustment for Leak Adjustments was not made to the 5_Current_Billing_Analysis.pdf filed with the Application.



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DATED JUL 29 2022

cc: Parties of Record

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