

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE UTILITY)	
COMMISSION OF THE CITY OF LONDON)	CASE NO.
REVISING ITS WHOLESALE WASTEWATER)	2022-00126
SERVICE RATES)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO THE CITY OF LONDON

The Utility Commission of the city of London (London), 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 July 11, 2022. The Commission directs London 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.

London shall make timely amendment to any prior response if London 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 London fails or refuses to furnish all or part of the requested information, London 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, London 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 London's response to Commission Staff's First Request for Information (Staff's First Request), Item 3a.

a. Explain whether the HWY 192 Pump Station expansion project and the Wastewater Treatment Plant Expansion (WWTP) project will be completed concurrently or at different times.

b. Provide the construction start date, construction completion date, and source(s) of funding for each project.

c. For anticipated loans for each project, provide a copy of the loan agreement or commitment, an estimate of principal forgiveness and or grant amount associated with each loan, estimated date of first principal and interest payment, terms of loan, and proposed amortization schedule from lender(s).

2. Refer to London's response to Staff's First Request, Item 3a which references the city of London Ordinance 2009-06.

a. Provide a copy of the ordinance, which was not attached as noted in the response.

b. Explain if the ordinance has been modified to exclude the non-cash expense components of Pension and Other Post-Employment Benefits (OPEB) reporting from rate calculations.

3. Refer to London's response to Staff's First Request, Item 3b.

a. Confirm that London does not allocate any costs between the Sewer Division and Water Division. If this cannot be confirmed, provide details of all cost components that are allocated (versus directly charged) between "Operating Expenses – Water" (financial statement page 28) and "Operating Expenses – Sewer" (financial statement page 29) and the rationale for the allocation method. Include account description, amount, and allocation methodology (for example, we noted that General and Administrative depreciation is allocated fifty percent to each of Water and Sewer).

4. Refer to London's response to Staff's First Request, Item 1, which included audited financial statements for the years ended June 30, 2020, and 2021.

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

b. Provide a reconciliation of the change in net pension liability (liability plus deferred inflows of resources minus deferred outflows of resources) from 2020 to 2021, the expenses recognized for the year ended December 31, 2021, and the contributions that were made during the year ended December 31, 2021. Provide cross references to each item as reported in the audited financial statements and footnotes. The analysis should provide the excess expense for 2021.

5. Refer to London's Tariff Filing submitted on April 21, 2022, at 14. Additionally refer to London's response to Staff's First Request, Item 2, which included an attachment entitled "LUC Annual Cost Calculations.xls" in Excel spreadsheet format. London's original tariff filing proposed a rate of \$4.40 per thousand gallons. The "LUC Annual Cost Calculations.xlsx" Excel spreadsheet included a calculation of \$3.99 per thousand gallons which referenced London's Ordinance No. 2009-06 and \$4.57 per thousand gallons which referenced the fiscal year 2021 expenses. Provide cost support for the 2021 Sewer Expenses of \$3,844,425, 2022 Sewer Expenses of \$3,844,425, the Projected Annual Cost for the WWTP expansion project of \$647,700, and the HWY 192 Pump Station Project Annual Cost of \$29,191.25.



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DATED JUN 20 2022

cc: Parties of Record

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