

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTH)	CASE NO.
MANCHESTER WATER ASSOCIATION, INC.)	2023-00183
FOR AN ALTERNATIVE RATE ADJUSTMENT)	

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

North Manchester Water Association, Inc. (North Manchester Water), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on October 20, 2023. 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 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.

North Manchester Water shall make timely amendment to any prior response if North Manchester Water obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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 the Commission's March 2, 2023 Order in Case No. 2021-00339.²
 - a. Explain why Ted Woods is acting as the Certified Public Accountant (CPA) for North Manchester Water given the findings in Case No. 2021-00339.

² Case No. 2021-00339, *Electronic Alleged Failure of North Manchester Water Association, Inc., Its Officers, Steve Davis, Carl Gregory Hoskins, Bobby Wolfe, Henry Smith, and Carl David Crawford to Comply with KRS 278.140, KRS 278.230, 807 KAR 5:006, Section 4, and KRS 278.990, March 2, 2023 Order* (Ky. PSC Mar. 2, 2023).

b. Provide any contract, or a narrative with details of the engagement of Mr. Woods if there is no written contract, between North Manchester Water and Mr. Woods for accounting services.

c. Provide any invoices for services rendered to North Manchester Water by Mr. Woods.

2. Refer to the Commission's March 7, 2023 Order in Case No. 2021-00339, at 8.³ Also refer to North Manchester's response to Commission Staff's First Request for Information (Staff's First Request), Item 11, Exhibit 11.

a. Explain why North Manchester Water continues to utilize Sisler-Maggard Engineering, PLLC (Sisler-Maggard) for non-engineering projects.

b. Provide a list of all non-engineering projects Sisler-Maggard has been engaged in for North Manchester water since March 2023.

c. Provide any qualifications of Sisler-Maggard, or licenses held by employees of Sisler-Maggard, to assist North Manchester Water in communication with the Kentucky Infrastructure Authority (KIA) related to payments owed.

d. Provide a list of all engineering projects Sisler-Maggard has been engaged in for North Manchester Water since March 2023.

e. Provide all invoices from Sisler-Maggard for 2023. If no invoices exist, provide a list of all funds North Manchester Water has paid to Sisler-Maggard.

3. Provide the following concerning accounting records for North Manchester Water.

³ Case No. 2021-00339, March 7, 2023 Order at 8.

a. State the address where the physical accounting records for North Manchester Water are located.

b. State whether electronic accounting records are maintained on software that is locally installed on a utility-owned computer or a subscription service that is internet based.

c. If electronic accounting records are not maintained on software that is locally installed on a utility-owned computer or a subscription service that is internet based, state the address where the electronic records are maintained.

4. Refer to North Manchester Water's response to Staff's First Request, Item 12. Provide documentation for the new terms between North Manchester and Clay County Fiscal Court regarding the loan.

5. Refer to the Commission's March 7, 2023 Order in Case No. 2021-00339, at 11 and Ordering Paragraph 8.⁴ Provide confirmation that all board members have registered for water commissioner training with the Public Service Commission in 2023.

6. Refer to North Manchester Water's response to Staff's First Request, Item 1(a). The general ledger in Excel spreadsheet format for the years ended December 31, 2021, 2022, and year-to-date 2023 was requested. An abbreviated income statement was provided. Provide the general ledger in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

7. Refer to North Manchester Water's response to Staff's First Request, Item 1(b). The trial balance in Excel spreadsheet format for the years ended December 31, 2021, 2022, and year-to-date 2023 was requested. An abbreviated income statement

⁴ Case No. 2021-00339, March 7, 2023 Order at 11–12.

was provided. Provide the trial balance in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

8. Refer to North Manchester Water's response to Staff's First Request, Item 13(b). Executed copies of the purchase order and Retail Installment Sale Contract were requested. Executed documents were not provided. Provide an executed copy of Retail Installment Sale Contract.

9. Refer to North Manchester Water's response to Staff's First Request, Item 15. The cost of purchases, and the average cost of purchases for each supplier and in total for the years ended December 31, 2021, 2022, and year-to-date 2023 was requested. The information was not provided. Provide the cost of purchases, and the average cost of purchases for each supplier and in total for the years ended December 31, 2021, 2022, and year-to-date 2023.

10. Refer to North Manchester Water's response to Staff's First Request, Item 22.

a. Explain why North Manchester Water believed a Cost of Service Study (COSS) was not necessary.

b. Explain why current staff and board members do not have access to any prior COSS.

c. Provide the name of the firm that will be used for the 2024 COSS and any request for proposals (RFP) issued by North Manchester Water.

11. Refer to North Manchester Water's response to Staff's First Request, Item 11, Attachment 11.

a. Provide any communications, or summary of communications if not in writing, with the Clay County Fiscal Court regarding why North Manchester Water's payments remitted to the Clay County Fiscal Court have not been submitted to KIA.

b. Provide documentation of all payments made to Clay County Fiscal Court from January 2021 through September 2023.

12. Refer to North Manchester's response to Staff's First Request, Item 5, Attachment 5, October 2022 Board Minutes. Explain the statement, "Henry made motion to apply for money to buy excavator, trailer and truck. Carl David second it." Include in the response documentation of any loans to purchase the machinery.

13. Refer to North Manchester's response to Staff's First Request, Item 5, Attachment 5, November 2022 Board Minutes.

a. Explain any discussions with Booneville regarding the purchase of water.

b. Explain why North Manchester Water desires to buy water from Booneville "so we can get away from the city."

14. Refer to North Manchester's response to Staff's First Request, Item 5, Attachment 5, November 2022 Board Minutes. Also refer to Attachment 5, January 2023 Board Minutes. Provide the letter to Wood's Creek regarding State Road 638.

15. Refer to North Manchester's response to Staff's First Request, Item 5, Attachment 5, January 2023 Board Minutes. Explain the statement, "Discussed selling truck to Keith. He offered \$3,000.00 for the pipe truck. All in favor." Include in the response who Keith is, the fair market value of the truck, what was done with the proceeds of the sale, and any purchase of a new pipe truck.

16. Refer to North Manchester's response to Staff's First Request, Item 5, Attachment 5, June 2023 Board Minutes. Explain the statement, "Having trouble viewing financial report. On PSC website. Raised rates to cover \$140.00 in revenue. 16% increase on minimum bill. PSC could request higher rate." Include in the response what the \$140.00 in revenue means.

17. Refer to North Manchester's response to Staff's First Request, Item 5, Attachment 5, June 2023 Board Minutes. Explain what "case with the county," references. Include in the response what Clay County believed was the monthly payment. Also include documentation from KIA about the expected monthly amount.

18. Refer to North Manchester's response to Staff's First Request, Item 17, Exhibit 17, Late Fee History for 2021 and 2022.

a. The number of occurrences was not provided in the response. Provide the number of late fee occurrences for each year.

b. Provide an explanation for the headings Late Fee 1 and Late Fee 2.

19. Refer to North Manchester's response to Staff's First Request, Item 18, Exhibit 18, Other Charge History. The number of occurrences was not provided in the response. Provide the number of occurrences, the amount of leak adjustments, and the general ledger account where adjustments are recorded in 2022.

20. Refer to North Manchester's response to Staff's First Request, Item 19, Exhibit 19. Provide updated Cost Justification Sheets for all nonrecurring charges listed in the current tariff, including Returned Payment Charge, Service Call/Investigation, Service Call/Investigation (after hours), Meter Test Request, Damage to Meter Setting or Lid, and Meter Relocate.

21. Refer to North Manchester's response to Staff's First Request, Item 19, Exhibit 19, Nonrecurring Charge Cost Justification, Service Disconnect, Service Turn on, and Service Disconnection/Reconnect. Provide the number of miles driven and the mileage rate used in the Transportation Expense item totaling \$14.00.

22. Refer to North Manchester's response to Staff's First Request, Item 18, Exhibit 18, Other Charge History and Item 20, Exhibit 20, Current Billing Analysis. Explain whether Billing Adjustments and Leak Adjustments were part of the calculation when the Billing Analysis-Current Rates was created.



Linda C. Bridwell, PE
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Public Service Commission
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DATED OCT 13 2023

cc: Parties of Record

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