

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF MOREHEAD	)	
UTILITY PLANT BOARD TO REVISE ITS	)	
WHOLESALE WATER RATES TO AND ENTER	)	CASE NO.
INTO REVISED WATER PURCHASE	)	2024-00193
AGREEMENTS WITH BATH COUNTY WATER	)	
DISTRICT AND ROWAN WATER, INC.	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO MOREHEAD UTILITY PLANT BOARD

Morehead Utility Plant Board (Morehead), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 1, 2024. The Commission directs Morehead to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> 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

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<sup>1</sup> 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.

Morehead shall make timely amendment to any prior response if Morehead 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 Morehead fails or refuses to furnish all or part of the requested information, Morehead 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, Morehead 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 Opening Order,<sup>2</sup> Executive Summary at unnumbered page 67 of 83.

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<sup>2</sup> Case No. 2024-00193, *Electric Tariff Filing of Morehead Utility Plant Board to Revise its Wholesale Water Rates to and Enter into Revised Water Purchase Agreements with Bath County Water District and Rowan Water, Inc.* (Ky. PSC June 28, 2024), Order.

a. Provide formal documentation (e.g., Board Minutes) that states Morehead's most recent estimated date of the initiation of operations for the new water treatment plant.

b. For referenced debt (two items) totaling \$52,052,602, provide estimated amortization schedules from the borrowers that reflect the timing of payments based on the initiation of operations date provided in Item 1a above.

2. Refer to Opening Order Appendix B,<sup>3</sup> Table A.2, Depreciation Expense at unnumbered page 79 of 83.

a. Provide the useful life used to calculate projected depreciation expense of \$1,500,166.51 on original cost of \$52,052,602. If components of the total cost are depreciated at different lives, provide a breakdown of cost groups and the respective depreciation life for each.

b. Confirm that the depreciation expense is an annual amount for the first full year of operation. If not, state the number of months of depreciation that are included in the \$1,500,166.51 estimated depreciation.

3. Refer to the Water Purchase Agreements<sup>4</sup> with Bath County Water District (Bath District) and Rowan Water, Inc. (Rowan Water), Section 13, Gradual Implementation of Initial Rate Modification.

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<sup>3</sup> Case No. 2024-00193, *Electric Tariff Filing of Morehead Utility Plant Board to Revise its Wholesale Water Rates to and Enter into Revised Water Purchase Agreements with Bath County Water District and Rowan Water, Inc.* (Ky. PSC June 28, 2024), Order.

<sup>4</sup> Case No. 2024-00193, *Electric Tariff Filing of Morehead Utility Plant Board to Revise its Wholesale Water Rates to and Enter into Revised Water Purchase Agreements with Bath County Water District and Rowan Water, Inc.* (filed June 14, 2024), Morehead Contract Filing, Section 13 at 7, and Section 13 at 19–20.

a. Confirm that the rates effective July 2026, July 2027, and July 2028 will not exceed the rates reflected in any cost of service study conducted by Morehead during that period.

b. Explain how Bath District and Rowan Water will be notified of the increases resulting from the gradual implementation sections of the Water Purchase Agreements.

c. Explain how the Commission will be notified of the increases resulting from the gradual implementation sections of the Water Purchase Agreements.

4. Refer to the Water Purchase Agreements<sup>5</sup> with Bath District and Rowan Water, Section 13, Gradual Implementation of Initial Rate Modification.

a. Provide the calculation and amount of the credit or reduction Bath District and Rowan Water will receive for their share of capital charges collected from January 2024 to June 2024 for bonds that were paid off December 2023 and explain how the credit or reduction will be provided, including the period over which it will be provided.

b. Provide the calculation and amount of the credit or reduction Bath District and Rowan Water will receive for their share of the reserve funds pursuant to the Interlocal Agreement and explain how the credit or reduction will be provided, including the period over which it will be provided.

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<sup>5</sup> Case No. 2024-00193, *Electric Tariff Filing of Morehead Utility Plant Board to Revise its Wholesale Water Rates to and Enter into Revised Water Purchase Agreements with Bath County Water District and Rowan Water, Inc.* (filed June 14, 2024), Morehead Contract Filing, Section 13 at 7, and Section 13 at 19–20.

5. Provide a pro forma calculation of rates for 2026, 2027, and 2028, assuming the rate implemented July 1, 2025, is \$3.61 and the calculated rate based on the twelve months ended June 30, 2025, is \$4.74. Show the capital and reserve fund credit as a separate amount for each year.



Linda C. Bridwell, PE  
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Public Service Commission  
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DATED       JUL 18 2024      

cc: Parties of Record

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