

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | |
|---|------------|
| ELECTRONIC APPLICATION OF SOUTH LOGAN) | |
| WATER ASSOCIATION, INC. FOR AN) | CASE NO. |
| ALTERNATIVE RATE FILING PURSUANT TO 807) | 2024-00203 |
| KAR 5:076) | |

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO SOUTH LOGAN WATER ASSOCIATION

South Logan Water Association (South Logan 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 January 3, 2025. The Commission directs South Logan 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.

South Logan Water shall make timely amendment to any prior response if South Logan 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 South Logan Water fails or refuses to furnish all or part of the requested information, South Logan 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, South Logan 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 response to filing deficiencies, Attachments_to_Cover_Letter.pdf, Attachment 1, 2023 Depreciation Schedule. Also refer to Attachment 2, Revised Statement of Adjusted Operations Utilizing 2023 Test Year. The Statement of Adjusted Operations reports Depreciation Expense as \$182,232; however, the Depreciation Schedule reported Depreciation Expense as \$229,541.32. Reconcile and explain the reasons for different Depreciation Expense amounts.

2. Refer to South Logan Water's response to Commission Staff's First Request for Information (Staff's First Request), Item 10. South Logan District reported the installation of 26 taps during the test year. Identify the number of each size of tap installed in the test year.

3. Refer to South Logan Water's Response to Staff's First Request, Item 4, Item_4_South_Logan_Water_Employee_Benefits.pdf.

a. State whether the \$250 is paid to employees or if it is available for use by each employee, as needed, similar to a flexible spending account.

b. If paid to employees, state whether the \$250 is provided weekly, monthly, or annually.

c. Provide the actual dollar amount incurred by South Logan District during the test year for Insurance Benefits.

d. Identify the General Ledger Account where the \$250 is recorded.

4. Refer to South Logan Water's Response to Staff's First Request, Item 1c, Item_1c_Cross_Reference.xlsx, Row 16. Also refer to South Logan Water's response to Staff's First Request, Item 4, Item_4_South_Logan_Water_Employee_Benefits.pdf. In response to item 4, South Logan Water did not report providing an IRA benefit to employees when it listed all benefits provided to employees. However, the cross-reference reported that Employee Pensions and benefits was composed exclusively of IRA employer contributions. Explain the IRA benefit and the calculations South Logan Water uses to determine contributions to the IRA.

5. Refer to South Logan Water's Response to Staff's First Request, Item 1a_2023_General_Ledger.xlsx, Account "Operating Supplies," Rows 10144 and 10177.

- a. Provide a copy of the invoices for the transactions listed below:

| Operating Supplies | | |
|--------------------|---------------------------------|------------|
| Date | Name | Amount |
| 09/30/2023 | Citco Water | \$5,720.03 |
| 12/22/2023 | United Systems & Software, Inc. | 4,896.98 |

b. Refer to the chart listed above item, 5a. Describe each transaction and state whether it should have been capitalized and, if so, provide the appropriate NARUC depreciation life for each.

c. Refer to the chart listed above, item 5a. If South Logan Water Association believes its classification as an expense is correct, explain the reasoning.

6. Refer to South Logan Water’s Response to Staff’s First Request, Item 6, Item_6_2023_Water_Report.xlsx, Row 13. Provide an explanation for the Water Loss Bonus, including how it is determined and how it is calculated.

7. Refer to South Logan Water’s Response to Staff’s First Request, Item 1a_2023_General_Ledger.xlsx, Account “Repairs & Maintenance,” Rows 13090, 13094, and 13098.

- a. Provide a copy of invoices for the transactions listed below:

| Repairs & Maintenance | | |
|-----------------------|--------------------|----------|
| Date | Name | Amount |
| 08/29/2023 | H&R Agri-Power | 2,223.33 |
| 09/29/2023 | Miller Contracting | 5,000.00 |
| 12/11/2023 | H&R Agri-Power | 5,570.18 |

b. Refer to the chart listed above item, 7a. Describe each transaction and state whether it should have been capitalized, if so, provide the appropriate NARUC depreciation life for each.


c. Refer to the chart listed above, item 7a. If South Logan Water Association believes its classification as an expense is correct, explain the reasoning.

8. Refer to South Logan Water's response to Staff's First Request, Item 1b, Item__1b_2023_Trial_Balance.xlsx, lines 90 through 97.

a. Explain whether the Convenience Fees for Credit Cards are a pass-through bank fee or revenue that is retained by South Logan Water.

b. Provide a breakdown of what was included in and an explanation of the Application Fee totaling \$3,000.

c. Provide a detailed breakdown of the Russellville Meter Readings totaling \$3,892.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED DEC 09 2024

cc: Parties of Record

Case No. 2024-00203

*Ariel Baker
Kentucky Rural Water Association
Post Office Box 1424
1151 Old Porter Pike
Bowling Green, KENTUCKY 42102-1424

*Robert K. Miller
Straightline Kentucky LLC
113 North Birchwood Ave.
Louisville, KENTUCKY 40206

*South Logan Water Association, Inc.
114 S Main Street
Adairville, KY 42202

*Johnna Roark
South Logan Water Association, Inc.
114 S Main Street
Adairville, KY 42202