

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF THE CITY OF)	
MT. VERNON TO INCREASE ITS WHOLESALE)	CASE NO.
WATER RATES TO WESTERN ROCKCASTLE)	2024-00217
WATER ASSOCIATION, INC. AND KENTUCKY-)	
AMERICAN WATER COMPANY)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO CITY OF MT. VERNON

The city of Mt. Vernon (Mt. Vernon), 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 13, 2024. The Commission directs Mt. Vernon 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.

Mt. Vernon shall make timely amendment to any prior response if Mt. Vernon 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 Mt. Vernon fails or refuses to furnish all or part of the requested information, Mt. Vernon 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, Mt. Vernon 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 Mt. Vernon Tariff Filing "City-of-MTVernon_Water_Tariff_Rates_Revision_Support_-_FeasabilityAnalysis_2021" (feasibility analysis). Also refer to Mt. Vernon Tariff Filing at unnumbered page 2 of 110 pages.

a. Compare the "Project Rev. Reqmnt" tab and the "Project Budget" tab of the feasibility analysis, which note a project cost of \$3,840,000 with page 2 of the tariff filing, which states "The total project cost is \$4,142,000 . . .". State which amount is

correct and whether the rate calculations should be modified if the correct amount is \$4,142,000. Provide updated rate calculations, if appropriate.

b. Provide the NARUC depreciation life that will be used for each component of the proposed project.

c. If the correct project cost amount is \$4,142,000, provide the source of funding for the additional \$302,000 project cost.

2. Refer to the feasibility analysis. The "Project Rev. Reqmnt" tab notes a Rural Development Loan (RD) component.

a. Provide a copy of the Letter of Conditions for the RD funding.

b. Provide a copy of the RD bond document including the final amortization schedule. If the RD debt has not yet been issued, provide the date that Mt. Vernon expects it to be issued and an amortization schedule with anticipated payment dates based on the projected bond issue date.

3. Refer to the opening Order entered on July 12, 2024, Exhibit A at page 14 of 21. Depreciation expense is reported at \$283,246 for the Water Fund and \$283,245 for the Sewer Fund.

a. State how depreciation was determined for each of the water and sewer funds.

b. Provide a summary of fixed assets that are grouped between water, sewer, and administrative that shows gross cost, accumulated depreciation, 2023 depreciation expense, and net book value as of June 30, 2023.

4. Provide an updated wholesale and retail unit cost analysis (per thousand gallons) based on (1) audited 2023 financial results, and (2) the projected incremental costs for the proposed project.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
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DATED JUL 30 2024

cc: Parties of Record

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