

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF NORTH	)	
NELSON WATER DISTRICT OF A WHOLESALE	)	
WATER PURCHASE AGREEMENT WITH THE	)	CASE NO.
CITY OF BARDSTOWN AND A TARIFF TO	)	2024-00336
ESTABLISH A WHOLESALE RATE TO THE CITY	)	
OF BARDSTOWN	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO NORTH NELSON WATER DISTRICT

North Nelson Water District (North Nelson District), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on December 2, 2024. The Commission directs North Nelson District 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.

North Nelson District shall make timely amendment to any prior response if North Nelson District 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 Nelson District fails or refuses to furnish all or part of the requested information, North Nelson District 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 Nelson District 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 October 25, 2024 Order<sup>2</sup> beginning at unnumbered page 16 of 44 (unnumbered page 5 of 32 of Appendix B to the Order). Response 2 states that Louisville Water Company (Louisville Water) will pump water directly to city of Bardstown (Bardstown) through North Nelson District's transmission main and that it will not flow through any of North Nelson District's existing infrastructure. It further states that the

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<sup>2</sup> Order (Ky. PSC Oct. 25, 2024).

depreciation expense allocated to Bardstown will be recovered through a transmission fee until a new wholesale rate is ultimately calculated and that the sale of water to Bardstown will not have any negative impact on North Nelson District's financial condition. Explain who will be responsible for any maintenance or leaks to the new transmission line that North Nelson District will be constructing.

2. Refer to October 25, 2024 Order beginning at unnumbered page 17 of 44 (unnumbered page 6 of 32 of Appendix B to the Order). Response 4 states that depreciation is calculated based on a 75-year life. Describe the reasoning for using a 75-year depreciation life given that the Commission has established that it uses the mid-point of NARUC life estimates which, in this situation, would be 62.5 years.

3. Refer to October 25, 2024 Order beginning at unnumbered page 18 of 44 (unnumbered page 7 of 32 of Appendix B to the Order). Response 5 indicates that 60 percent of depreciation is allocated to Bardstown in the calculated transmission fee. However, North Nelson District previously stated that 100 percent of the water that passes through the line would be for the benefit of Bardstown and that North Nelson District was simply wheeling the water.

a. Describe why 60 percent of the depreciation cost is allocated to Bardstown if Bardstown is receiving 100 percent of the water that flows through the line.

b. If 100 percent of the depreciation cost is not being recovered, explain how there will not be a negative impact to North Nelson District's financial condition or eventually to other users' rates.

4. Explain whether any consideration was given to the current Bardstown wholesale tariff rate to North Nelson District as part of this Agreement. If so, explain why

no change was made, especially in light of the transmission fee and increased rate to Bardstown as well as the new rate being charged to North Nelson District. If not, explain why not.



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DATED NOV 18 2024

cc: Parties of Record

Case No. 2024-00336

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