

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
CANNONSBURG WATER DISTRICT FOR A)	CASE NO.
RATE ADJUSTMENT PURSUANT TO 807 KAR)	2024-00155
5:076)	

COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
TO CANNONSBURG WATER DISTRICT

Cannonsburg Water District (Cannonsburg 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 September 6, 2024. The Commission directs Cannonsburg District 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.

Cannonsburg District shall make timely amendment to any prior response if Cannonsburg 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 Cannonsburg District fails or refuses to furnish all or part of the requested information, Cannonsburg 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, Cannonsburg 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 the testimony of Tim Webb in Cannonsburg District's response to Commission Staff's Second Request for Information (Staff's Second Request), Items 4c, 5e, and 10c. Specifically, Cannonsburg District's statements that the expense is not capital "due to the nature of the purchases and their use" in response to Item 4c, and "Cannonsburg District would not classify maintenance and repair costs as capital expenditures" in response to Item 10c. Cannonsburg District's response to Item 5e is a

repeat of its response to Item 5d and does not provide sufficient explanation for why the classification of the purchase as an expense is proper.

a. For each item provide a detailed explanation for why its classification as an expense is proper pursuant to the Uniform System of Accounts.

b. Provide the approximate age of the item replaced and the normal replacement cycle.

c. For each item purchased provide the expected life.

2. Refer to Cannonsburg District's response to Staff's Second Request, Item 9b Elan Credit Card Invoice.

a. Provide a copy of each credit card invoice for calendar years 2022 and 2023.

b. Provide an explanation of the business purpose of each restaurant expenditure on each of the invoices provided in item 2a.

c. State how many authorized Elan credit cards were issued to Cannonsburg District's employees during calendar years 2022 and 2023.

d. Provide the written policies and procedures for the employee use of the authorized Elan credit cards.

e. Refer to Cannonsburg District's responses to Staff's Second Request, Items 13 and 17, about Miscellaneous Service Revenue. Cannonsburg District's response to Item 13a states it ". . . is unable to provide an explanation of the account and will contact its Accountant and will provide an update to this response." In response to Item 17, Cannonsburg District stated "[M]iscellaneous Service Revenue is used for all previously listed nonrecurring charges. It is also for recurring charges of

Commercial Sales Tax.” Confirm whether Cannonsburg District’s response to Item 17 is correct after receiving the information from its accountant.

f. If Cannonsburg District is still awaiting information from the accountant referred to in Item 13, provide the date Cannonsburg District expects to receive that information.

3. Refer to Cannonsburg District’s Application, Attachment 4, Schedule of Adjusted Operations (SAO), References, Reference A. Also refer to Cannonsburg District’s 2022 Audited Financial Statements.²

a. The total revenues reported in the test year of in the SAO and the total revenues reported in the audited financial statements for 2022 were both reported as \$3,087,027. Explain why Cannonsburg District’s Audited Financial Statements do not reflect the reduced revenue amount, made in Reference A, if there is a recording error in the test year amount.

b. Explain why the cash flow statement at page 5 of the Audited Financial Statements do not reflect the incurrence of debt while Note 4d on page 18 reflects debt issued of \$523,510 in the summary of changes in long-term obligations for the year.

² *Cannonsburg District Audited Financial Statements for the Year Ended December 31, 2022* (filed June 16, 2023).

A handwritten signature in blue ink, appearing to be "Linda C. Bridwell", written over a horizontal line. The word "for" is written in small black text to the right of the signature.

Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
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DATED AUG 23 2024

cc: Parties of Record

Case No. 2024-00155

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