

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF HENDERSON	)	
COUNTY WATER DISTRICT FOR A	)	
DECLARATORY ORDER OR ALTERNATIVELY A	)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	2025-00280
NECESSITY AND ISSUANCE OF EVIDENCE OF	)	
INDEBTEDNESS AND OTHER GENERAL	)	
RELIEF	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO HENDERSON COUNTY WATER DISTRICT

Henderson County Water District (Henderson 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 October 30, 2025. The Commission directs Henderson 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

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).

person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Henderson District shall make timely amendment to any prior response if Henderson 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 Henderson District fails or refuses to furnish all or part of the requested information, Henderson 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, Henderson 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 Application, Exhibit 2 Direct Testimony of Mark Julian (Julian Direct Testimony), Estimated Costs of the Corrective Action Plan Table, at unnumbered PDF pages 34–36. Provide a chart listing the NARUC average useful life, the date the property will be placed in service, and the date when the first full year of depreciation is expected for each depreciable item listed in the Exhibit.

2. Refer to the Application, Exhibit 2 Julian Direct Testimony, Estimated Costs of the Corrective Action Plan Table, at unnumbered PDF pages 34–36.

a. Provide the age and current book value for all items being replaced by the items in the table.

b. State if the proposed replacements would result in any interruption of service to customers, and if so, explain the extent, including number of affected customers, number of interruptions, and duration of interruptions, as well as how the district would minimize any interruption of water service related to the project.

3. Provide the anticipated journal entries by Uniform System of Accounts (USoA) Account Numbers to record the financing transactions.

4. Provide the anticipated journal entries by USoA Account Numbers to record the construction completion transactions.

5. Refer to the Application, Exhibit 2 Julian Direct Testimony, Estimated Costs of the Corrective Action Plan Table, at unnumbered PDF page 35, Staffing.

a. State whether these positions will be purely focused on water loss reduction or whether they will have other responsibilities.

b. State whether these positions will be retained after the funding from the grant has been expended. If the positions will be retained, explain how Henderson District will pay for the employees' salaries and benefits.

6. Refer to the Application, Exhibit 2 Julian Direct Testimony, Estimated Costs of the Corrective Action Plan Table, at unnumbered PDF page 35, Staffing, Heavy Equipment Operator.

a. State whether the equipment the employee will be operating is currently owned by Henderson District, will be purchased by Henderson District, or will be rented.

b. State the expected projects the employee will be working on and state whether those projects will be capitalized or expensed.

7. Refer to the Application, Exhibit 2 Julian Direct Testimony, Estimated Costs of the Corrective Action Plan Table, at unnumbered PDF page 35, Staffing, two meter reader positions. State whether these positions are part of normal operating expenses or are a temporary position until new meters are installed.

8. Refer to the Application, Item 22 at 2, which states the estimated annual cost of operation after the proposed facilities are placed into service is \$40,000.

a. State whether this amount is the total cost of operation or the additional cost of operation for the new projects.

b. Provide calculations used to determine the \$40,000 amount.

9. Provide a breakdown of the revenue requirement impact of the project including the following items:

a. Net operating expense increase or decrease by expense component;

b. Annual depreciation, including calculations, for each component for which there are different depreciable life;

c. Annual debt service for each debt component;

d. Twenty percent working capital on debt service amounts in Item 7(c);

and

e. Total of all items above.

10. Refer to the Application, page 6, paragraph 1, which states that Henderson District intends to use the surcharge funds to pay for the meters.

a. Explain why Henderson District believes that the surcharge funds may not be sufficient to cover the cost of the meters.

b. State when Henderson District will know if the surcharge funds will be insufficient to fund the cost of the meters.

c. Provide the payment schedule reflecting how Henderson District will use the surcharge funds to pay for the cost of the meters.

11. Refer to the Application, page 7, paragraph 2, which states that Henderson district seeks a declaratory order that Henderson District does not need to amend its QIIP filed in Case No. 2023-00333.² Explain if Henderson District will update its unaccounted-for water loss reduction plan surcharge as ordered in Case No. 2023-00333³ when the surcharge funds are used to pay for the cost of the meters or other related costs.

12. Refer to the Application, Exhibit 2 Julian Direct Testimony, Estimated Costs of the Corrective Action Plan Table, at unnumbered PDF page 36, Total, which states that the remaining administrative/planning costs will be covered by future collections of the water loss surcharge funds.

a. Explain the anticipated expenses that will be included in the administrative/planning costs.

² Case No. 2023-00333, *Electronic Henderson County Water District Unaccounted for Water Loss Reduction Plan, Surcharge and Monitoring* (Ky. PSC Dec 13, 2023) Order.

³ Case No. 2023-00333, Dec. 13, 2023 Order.

b. State the estimated amount of remaining administrative/planning costs that will be covered by future collections of the water loss surcharge fund.

c. State when Henderson District anticipates using the future water loss surcharge funds for remaining administrative/planning costs.



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

DATED **OCT 15 2025**

cc: Parties of Record

*L. Allyson Honaker
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KY 40509

*Heather Temple
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KY 40509

*Meredith L. Cave
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KY 40509

*Henderson County Water District
655 South Main Street
P. O. Box 655
Henderson, KY 42419-0655

*Mark Julian
Henderson County Water District
655 South Main Street
P. O. Box 655
Henderson, KY 42419-0655