

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MORGAN)
COUNTY WATER DISTRICT FOR A) CASE NO.
DECLARATORY ORDER) 2025-00413
)

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

Morgan County Water District (Morgan 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 January 16, 2026. The Commission directs Morgan 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.

Morgan District shall make timely amendment to any prior response if Morgan 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 Morgan District fails or refuses to furnish all or part of the requested information, Morgan 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, Morgan 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, paragraph 9, which states that projected operating income of \$40,473 will offset projected additional operating & maintenance (O&M) expenses of \$16,285.

a. Provide a detailed explanation of how the projected operating income amount of \$40,473 was calculated.

b. Identify all assumptions used in the calculation, including but not limited to:

- (1) The number of new customers assumed to be served by the project;
- (2) The monthly bill amount used; and
- (3) The date(s) on which Morgan District expects those customers to begin generating operating revenue.

c. Provide supporting calculations and any underlying worksheets used to derive the projected operating income figure.

2. Refer to the Application, Attachment A (Project Profile) and Attachment B (Operating Cost Analysis). Attachment A identifies 69 new residential customers, while Attachment B appears to assume 75 customers for purposes of calculating projected operating income.

a. Explain the reason for the difference in customer counts used in Attachment A and Attachment B.

b. Provide the correct number of new customers expected to be served by the project and revise the projected operating income calculation if necessary.

3. Refer to the Application, Attachment A (Project Profile) and Attachment B (Operating Cost Analysis). Attachment A reflects approximately 53,411 linear feet of waterline extensions, while Attachment B appears to use approximately 43,835 linear feet for purposes of calculating projected O&M expenses.

a. Explain the basis for using different linear footage figures in Attachment A and Attachment B.

b. Provide the total linear footage of waterline extensions to be constructed as part of the project and identify which figure should be used for purposes of calculating ongoing O&M expenses.

4. Refer to the Application, Attachment B (Operating Cost Analysis). Provide a narrative explanation of the methodology used to calculate the projected increase in O&M expenses totaling \$16,285, including each cost component included in that figure, and revised calculations if the O&M expense methodology would change based on the confirmed customer count and linear footage requested in data requests two and three above.

5. Provide Morgan District's statement of cash flows for 2025.

6. Refer to the Application, paragraph 9. Identify whether Morgan District anticipates incurring any interim cash flow needs related to increased O&M expenses prior to new customers beginning to generate operating revenues. If yes, explain how those interim expenses will be funded and whether any temporary financial impacts to existing customers are anticipated.

7. Explain whether Morgan District will seek any rate increase as a result of this project.



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DATED JAN 9 2026

cc: Parties of Record

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