

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LAKE VILLAGE)	CASE NO.
WATER ASSOCIATION, INC FOR A RATE)	2026-00057
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO LAKE VILLAGE WATER ASSOCIATION, INC.

Lake Village Water Association, Inc. (Lake Village Water), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on June 25, 2026. The Commission directs Lake Village Water 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.

Lake Village Water shall make timely amendment to any prior response if Lake Village Water 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 Lake Village Water fails or refuses to furnish all or part of the requested information, Lake Village Water 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, Lake Village Water 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 Lake Village Water's response to Commission Staff's First Request for Information (Staff's First Request), Item 8.

- a. Explain how the Board of Directors determines the type and amount of bonus to award staff each year.

b. Provide the total amount of the bonuses awarded during the last three calendar years, by year. If varying amounts were awarded, identify a corresponding position to the amount.

2. Refer to Lake Village Water's response to Staff's First Request, Item 16. Provide a sample bill for Lake Village Water.

3. Refer to Lake Village Water's response to Staff's First Request, Item 23. Provide Lake Village Water's water loss percentage for 2025.

4. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2026 Meeting Minutes, page 2. Explain whether the Assistant Director Expense was included in the proposed revenue requirement.

5. Refer to Lake Village Water's response to Staff's First Request, Item 17d and Item 13, 2026 Meeting Minutes, page 5. Lake Village Water stated in Item 17d that there is no documentation or evidence that a Cost of Service Study (COSS) has ever been performed. On the other hand, the Meeting Minutes on Item 13, page 5, clearly state that a COSS is complete. Provide a copy of the COSS.

6. Refer to Lake Village Water's response to Staff's First Request, Item 17. Refer also to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 24.

a. Explain why Lake Village Water did not pursue a COSS, given the concerns stated involving the rate for Northpoint Training Center.

b. Provide any analysis performed related to the rate.

c. Explain whether Lake Village Water has a contract with Kentucky Utilities Company. If so, provide the contract.

7. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 5. Provide a copy of the contract with Waterworth Continuous Utility Rate Management Software.

8. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 7-8 regarding the Management Agreement.

a. Provide a copy of the Management Agreement.

b. Explain how Lake Village Water codes its employee time spent working for Mercer County Sanitation District.

c. Discuss how many of Lake Village Water's employees provide services to Mercer County Sanitation District. For each employee included in this response, provide a brief description of the services.

d. Explain how Lake Village Water calculated the fee to provide management for Mercer County Sanitation District. Provide a breakdown of the calculation and any supporting calculations or documents in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

9. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 10. Provide a copy of the 2023 Toyota Tacoma loan agreement.

10. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 21. Refer also to Lake Village Water's tariff P.S.C. Ky. No. 1 Original Sheet 37.

a. Explain whether the leak adjustment of \$2,220 is consistent with Lake Village Water's tariff for calculating leak adjustments. If not, explain why not.

b. Explain whether Lake Village Water has considered updating its tariff to reflect that leak adjustments be determined on a case-by-case basis.

11. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2025 Meeting Minutes, page 26.

a. Explain what compensation Lake Village Water receives related to the 911 fee collection.

b. Provide a copy of the invoices for service related to the 911 collection fee from January 2025 to present.

12. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2024 Meeting Minutes, page 11. Provide a copy of the agreement with Assured Partners for a Cybersecurity Insurance Policy.

13. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2024 Meeting Minutes, page 18.

a. Provide Lake Village Water's current policy regarding use of company vehicles.

b. Explain whether employees are permitted to take vehicles home.

14. Refer to Lake Village Water's response to Staff's First Request, Item 13, 2023 Meeting Minutes, page 35. Provide a copy of the contract with Bluegrass Area Development District.

15. Provide a copy of the most recent Water Purchase Agreements for the following:

a. Northpoint Training Center;

b. Harrodsburg;

- c. Danville;
- d. Burgin;
- e. Any other Water Purchase Agreements entered into by Lake Village

Water.

16. Refer to Application, Attachment_12_LVWA_2024_Rate_Study, Wages Tab and Lake Village Water's response to Staff's First Request, Item 7(b), regarding annual hours worked by full time employees.

a. Explain the methodology used to determine the regular hours, overtime hours and paid time off (PTO) hours reflected for each employee position, the pro forma wage schedule, and reconcile these hours with the stated annual full time work schedules.

b. Explain which employee positions are considered Distribution Staff and which employee positions are considered Office and Administrative Staff.

17. Refer to Application, Attachment_12_LVWA_2024_Rate_Study, Medical Tab and Attachment #4, Statement of Adjusted Operations (SAO) which reflects a positive adjustment of \$6,959 to Employee Pension and Benefits. However, Reference, Item E stated that the adjustment reflects a decrease in Pension Benefits. In addition, the supporting schedule indicates that certain supplemental Insurance premiums are 100 percent employee contributed. Reconcile the net positive pro forma adjustment and explain how employee contributed insurance premiums were treated in the calculation of the adjustment.

18. Refer to Lake Village Water's response to Staff's First Request, Item 3, General Ledger 2024, for the accounts listed below. Refer also to the chart below.

54050 · Miscellaneous General Expense

Date	Name	Amount
03/29/2024	32824 #10292 - Water bottles for Healthy Kids	\$ 662.45
03/31/2024	misc expenses, John and Evan school	536.19
04/30/2024	misc purchases, John and Evan test fees	843.39
09/24/2024	C0001246 Service Contract	4,200.00
09/30/2024	misc purchases, board and staff meal, etc	1,314.66
10/01/2024	Crozier Lane	5,950.00
11/20/2024	Matthew Todd Graphic Design	1,760.00

54065 · Office Supplies

01/24/2024	HARRIS	3,178.66
05/16/2024	HARRIS	5,321.27

a. For each item listed in the chart above, provide a copy of each invoice relevant to the item.

b. For each item listed in the chart above, describe the purchase and state whether each item should have been capitalized.

c. For each item listed in the chart, if a purchase should have been capitalized, provide the appropriate NARUC useful life for depreciation purposes.

d. For each item in the chart above, if Lake Village Water believes its classification as an expense is proper, explain the reasoning.

19. Refer to Lake Village Water's response to Staff's First Request, Item 12. Lake Village Water did not provide all the requested Information. Provide most recent invoices for Automobile and Workers' Compensation. Reconcile the total annual premium amounts recorded in the general ledger and SAO.

20. Refer to Lake Village Water's response to Staff's First Request, Item 15(c) and 30_LVWA_Bylaws, page 6. Lake Village Water did not provide all the requested Information. Provide the meeting minutes, board resolution, compensation policy, or other documentation approving each member of the Board of Director's compensation.

21. Refer to Lake Village Water's Response to Staff's First Request, Item 3, General Ledger 2024 and Item 11, 11_a_LVWA_2024_Water_Purchased_Data. The reconciliation provided for purchased water expense reflects a total purchased water expense of \$640,461. However, the general ledger and SAO reflect test year purchased water expense of \$630,041. Reconcile the difference and provide supporting calculations and identify any amount excluded, reclassified or adjusted from the reconciliation schedule to arrive at the test year expense reflected in the SAO.

22. Refer to Lake Village Water's Response to Staff's First Request, Item 6. Reconcile all the values provided as no addition of these values result on \$58,646. Include in the response the exact formula used to calculate the Other Water Revenues amount of \$58,646.

23. Refer to Lake Village Water's Response to Staff's First Request, Item 6 and Item 19. Lake Village Water mentioned that \$9,804.25 was the dollar amount collected in other non-recurring charges.

a. Specify what charges specifically add up to that dollar amount as the nonrecurring charges provided in response to Item 19 add up to \$993.

b. Reconcile and explain the difference between these 2 values for nonrecurring charges.

24. Refer to Lake Village Water's response to Staff's First Request, Item 27. Lake Village Water did not provide all the requested information. Explain why the Retail and Wholesale Revenue values in the Existing Billing Analysis of \$1,599,363 and \$267,203 respectively do not match the pro forma sales values represented in the SAO for Residential of \$1,683,896 and Commercial Customers of \$143,290. Provide evidence

in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible of the documentation used to calculate the pro forma sales values for the SAO in the application.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601-8294

DATED **JUN 05 2026**

cc: Parties of Record

Case No. 2026-00057

Service List for 2026-00057

* Lake Village Water Association, Inc.
801 Pleasant Hill Drive
P. O. Box 303
Burgin, KY 40310

* Mike D Sanford
Executive Director
Lake Village Water Association, Inc.
801 Pleasant Hill Drive
P. O. Box 303
Burgin, KY 40310

* Sam Reid
312 N. Jackson Street
Perryville, KY 40468

* Christopher J. Tucker
Sheehan, Barnett, Dean, Pennington, Dexter & Tucke
114 South Fourth Street
Danville, KY 40423