

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC JOINT APPLICATION OF BLACK   | ) |            |
| MOUNTAIN UTILITY DISTRICT AND KENTUCKY- | ) | CASE NO.   |
| AMERICAN WATER COMPANY FOR THE          | ) | 2026-00097 |
| TRANSFER OF CONTROL AND ASSETS          | ) |            |

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION  
TO BLACK MOUNTAIN UTILITY DISTRICT

Black Mountain Utility District (Black Mountain 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 June 5, 2026. The Commission directs Black Mountain 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.

Black Mountain District shall make timely amendment to any prior response if Black Mountain 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 Black Mountain District fails or refuses to furnish all or part of the requested information, Black Mountain 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, Black Mountain 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 Joint Application, Paragraph 5. Explain Black Mountain District's long-term plan to serve six wastewater customers.
2. Refer to the Joint Application, Exhibit 1, Schedule 3.13, Item 3.
  - a. Provide Black Mountain's 2025 monthly Unaccounted-for Water Loss (Water Loss) data, including total water purchased, total water produced, internal water usage, and water sold.

b. Refer also to Case No. 2023-00235,<sup>2</sup> Black Mountain District's response to Commission Staff's Post-Hearing Request for Information, Item 1, Attachments. Provide updated water loss percentages for each system of Black Mountain District for the last two months. Provide the monthly percentage, as well as the 12-month rolling average for each month for each system.

c. Provide the estimate of water loss for each system attributable to each facet of the water system (i.e., existing water lines, storage facilities, pump stations, and meters) for the last two months.

3. Refer to the Joint Application, Exhibit 1, Section 3.9(g). Provide the Phase I environmental reports.

4. Refer to Case No. 2023-00202,<sup>3</sup> generally. Explain how Black Mountain District plans to handle the surcharge funds if the Commission approves the transfer to Kentucky-American. In this explanation, explain whether Black Mountain District plans to use the funds for any improvements in the interim.

5. Explain Black Mountain District's transition plan if the transfer of assets is approved by the Commission. In this plan, explain whether Black Mountain District would be dissolved following the transfer of assets.

6. Explain whether Black Mountain District holds any customer deposits. If so, state the monetary amount that is being held, and, if the merger with Kentucky-American is approved, whether Black Mountain District will: return the deposits that it holds, transfer

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<sup>2</sup> Case No. 2023-00235, *Electronic Investigation Into The Financial And Operating Capacity Of Black Mountain Utility District As Well As Possible Vacancies On The Board Of Commissioners Of Black Mountain Utility District.*

<sup>3</sup> Case No. 2023-00202, *Electronic Filing of Black Mountain Water District Unaccounted For Water Loss Reduction Plan, Surcharge And Monitoring.*

the deposits to Kentucky-American, or apply the funds to another use. If the deposits will be applied for another use, identify the other use.

7. For the past 12 months from the date of this request, provide the number of customers per month that were without water at any given time during each month. Include the estimated duration of each outage for each customer. If a customer was out of service more than once, provide the number of times that customer was out of service. Do not include disconnections for nonpayment, only for outage.

8. Provide the number and dates of each boil-water advisory for the past three years. If available, provide a reason and duration for each boil-water advisory.

9. Provide the Board of Commissioner minutes approving the proposed asset purchase agreement (APA) and any minutes, including associated materials, from meetings containing discussions of, or agenda items relevant to, the proposed transfer of assets to Kentucky-American.

10. Provide a brief narrative of the turnover Black Mountain District has had in the past two years for its employees, general managers, and on its Board of Commissioners. Explain what issues this has caused Black Mountain District.

11. Refer to Case No. 2023-00235,<sup>4</sup> Black Mountain District's response to Commission Staff's Third Request for Information, Item 2a. Provide the 2023 and 2024 Audit Reports.

12. Provide any active notice of violations issued by the Energy and Environment Cabinet (EEC) or the Kentucky Division of Water (DOW) to Black Mountain

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<sup>4</sup> Case No. 2023-00235, *Electronic Investigation Into The Financial and Operating Capacity of Black Mountain Utility District as Well as Possible Vacancies on The Board of Commissioners of Black Mountain Utility District.*

District. Provide copies of each outstanding violation and state how the violations will be resolved.

13. Refer to the Agreement, Section 2.1, which states “[e]xcluded assets are not part of the sale,” and the definition of “Excluded Assets” includes “all accounts receivable of Seller accrued and payable prior to the Effective Time.”

a. Explain the process Black Mountain District will use to collect outstanding water bills owed to the utility for service rendered prior to the closing date.

b. State whether Black Mountain District expects Kentucky-American to disconnect water service for customers who fail to pay these pre-closing debts owed to Black Mountain District.



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Linda C. Bridwell, PE  
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DATED **MAY 27 2026**

cc: Parties of Record

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