

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING OF HILLRIDGE) CASE NO.
FACILITIES, INC.) 2010-00426

COMMISSION STAFF'S RESPONSE TO HILLRIDGE FACILITIES, INC.'S
REQUESTS FOR INFORMATION

Commission Staff submits the following responses to Hillridge Facilities, Inc.'s ("Hillridge") Requests for Information.

1. Please state whether Commission Staff has reviewed the three bids Hillridge submitted with its Application that reflected the cost to repair the infiltration and inflow into the Hillridge collection system that were obtained from Camden Environmental Service Co., Bland Plumbing and Piping, and Murphy's Excavating.

ANSWER: Yes.

2. Please state whether the November 29, 2010 letter forwarded by Ms. Sandy Gruzesky, the Director of the Kentucky Division of Water, to Executive Director Jeff Derouen concerning Hillridge will be placed in the record of the above-styled case.

ANSWER: The letter in question was placed in the record of Case No. 2010-00426 on December 1, 2010. It can be also be found at http://psc.ky.gov/pscscf/2010%20cases/2010-00426/Public%20Comments/20101201_Division%20of%20Water%20Comments.pdf.

3. Please state whether any utilities were allowed to amortize the expenses related to the ice storm over less than a ten (10) year period, and, if so, the number of

utilities that were allowed to use a shorter amortization period, and the period of amortization allowed.

ANSWER: In Case No. 2003-00434, the Commission allowed Kentucky Utilities Company to amortize its 2003 ice storm related expenses over a four-year period. See http://psc.ky.gov/order_vault/Orders_2004/200300434_06302004.pdf.

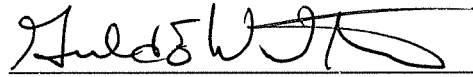
The Commission accepted a proposed ten-year amortization period for 2009 ice storm damages that Kentucky Utilities Company (Case No. 2009-00548) and Louisville Gas and Electric Company (Case No. 2009-00549) incurred. An electronic copy of these orders may be found at ftp://ftp.psc.state.ky.us/order_vault/Orders_2010/200900548_07302010.PDF and ftp://ftp.psc.state.ky.us/order_vault/Orders_2010/200900549_07302010.PDF.

In Case No. 8863, the Commission allowed Jackson Purchase Electric Cooperative Corporation to amortize expenses related to a 1983 ice storm over a three-year period. See http://psc.ky.gov/order_vault/orders_1980-1988/orders_1983/19008863_12291983.pdf.

In Case No. 2009-00410, the Commission removed \$291,689 of 2008 wind storm and 2009 ice storm related damages from the test-year expenses of Shelby Energy Cooperative and made no provision for their recovery through amortization expense. See http://psc.ky.gov/order_vault/orders_2010/200900410_07272010.pdf.

The cases listed above are the product of Commission Staff's diligent search and review of Commission Orders from 1980 to the present. It is unable to state unequivocally, however, that the Commission may have addressed the issue of amortization of ice storm damages in other proceedings.

Respectfully submitted,



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CERTIFICATE

I hereby certify that a true and correct copy of this Response has been mailed, postage prepaid, this 18th day of April 2011 to:

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