

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING ADJUSTMENT FOR ) CASE NO.  
DELAPLAIN DISPOSAL COMPANY ) 2010-00349

COMMISSION STAFF'S FIRST INFORMATION REQUEST  
TO DELAPLAIN DISPOSAL COMPANY

Delaplain Disposal Company ("Delaplain"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due within 20 days of the date of this information request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response 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 response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Delaplain shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Delaplain

fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied 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.

1. Provide a calendar year 2009 general ledger showing account number, subaccount number, account title, subaccount title, and all entries to each account. For each entry, state the date paid, vendor name, check number used to make payment and the amount. The general ledger shall include all asset, liability, capital, income, and expense accounts used by Delaplain. All accounts should show activity for 12 months. Show the balance in each control account and all underlying subaccounts per company books. The 2009 general ledger should be provided on a computer disk in Microsoft Office Excel format.

2. For each cash account used by Delaplain during the calendar year 2009, provide a cash disbursements ledger that lists all checks in chronological order and details the date paid, check number, vendor, and amount. The 2009 cash disbursements ledger should be provided on a computer disk in Microsoft Office Excel format.

3. Provide a copy of the audited financial statements for the 12-month period ending December 31, 2009. Include a copy of all audit adjustments made to the financial statements. If those audited financial statements are not currently available, give an estimated date that this information will be submitted to the Commission.

4. Refer to Attachment A of the Application, Adjustment B, Sludge Hauling Expense.

a. Identify the companies that are responsible for removing the sludge from Delaplain's treatment facilities.

b. Provide copies of the test-period invoices to support the pro forma sludge hauling expense of \$29,400.

c. Provide copies of the 2010 invoices for sludge hauling that Delaplain has received to date.

5. Refer to Attachment A of the Application, Adjustment C, Repairs and Maintenance Expense.

a. For calendar years 2007, 2008, and 2009, provide a separate schedule that lists each item Delaplain recorded in Account No. 714, Maintenance of Treatment and Disposal Plant. The list should include the date the service was provided, invoice date, invoice number, the date the invoice was paid, the check number, the vendor name, a brief description of the service(s) provided, and the amount billed. The total for each schedule should equal the amount listed in the corresponding Annual Report for that account.

b. For each schedule provided in response to Item 5(a), provide legible copies of the invoices to support each account entry.

c. Delaplain proposes to increase its repairs and maintenance expense by \$8,645 to reflect a three-year average of Account No. 714, Maintenance of Treatment and Disposal Plant. Explain how the proposed adjustment to use a three-year average meets the rate-making criteria of being known and measurable.

6. Refer to Attachment A of the Application, Adjustment D, Utilities Expense.

a. Provide a schedule that lists each item Delaplain recorded in Account No. 701-C, Utility Service - Water Cost. The list should include the date the service was provided, invoice date, invoice number, the date the invoice was paid, the check number, the vendor name, a brief description of the service(s) provided, and the amount billed. The total for each schedule should equal the amount listed in the corresponding Annual Report for that account.

b. Provide legible copies of the invoices to support each entry in the schedule provided in the response to Item 6(a).

7. Refer to Attachment A of the Application, Adjustment E, Depreciation and Amortization Expense.

a. Delaplain lists \$11,065 of plant additions it made in calendar year 2009. Identify the account where these items were recorded and provide invoices to support the amounts reported on the schedule.

b. Delaplain lists plant additions of \$5,765 that it has completed in calendar year 2010. Identify the account where these items were recorded and provide invoices to support the amounts reported on the schedule.

c. Delaplain lists \$154,872 of proposed construction projects. For each proposed construction project listed in the schedule, provide the following information:

- (1) The projected date the construction project will begin.
- (2) The projected date the construction project will be completed.
- (3) A list of all required governmental permits, licenses, and other approvals.

(4) A list of all governmental permits, licenses, and other approvals that Delaplain has not obtained as of the date of this request.

(5) The date on which Delaplain applied or expects to apply for each required governmental permit, license, or other approval.

(6) An explanation of how Delaplain will fund each project listed.

(7) Bids to document the projected cost of each project.

(8) Any engineering study or analysis that Delaplain has performed to show that each proposed project is required.

d. Delaplain states that it will develop a "Groundwater Protection Plan" at a projected cost of \$3,000. Explain why Delaplain is developing the groundwater protection plan. If this is a requirement of the Division of Water ("DOW"), include any correspondence between Delaplain and the DOW regarding this study.

e. Provide documentation to support the depreciation lives Delaplain is proposing to use for each completed and proposed construction project.

8. Refer to Attachment A of the Application, Adjustment F, Amortization of Rate Case Expense.

a. Provide detailed documentation to support Delaplain's estimated rate case cost of \$19,900.

b. Provide detailed documentation to support Delaplain's legal fees of \$15,000.

9. As of December 31, 2009, Delaplain reported that its only outstanding long-term debt was a PNC bank loan of \$67,199.<sup>1</sup>

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<sup>1</sup> Annual Report of Delaplain Disposal Company to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2009, at 6.

- a. Provide a current amortization schedule that includes the entire life of the PNC loan or bond and details the payment amounts, principal retirements, interest payments, interest rates, and outstanding balances.
- b. Provide a description of the use of the borrowed funds.
- c. Identify the Commission proceeding wherein Delaplain was authorized to obtain the PNC loan.
- d. Provide a detailed explanation as to why Delaplain modified its PNC loan.
- e. Explain why Delaplain did not obtain prior Commission authorization before modifying the PNC loan.



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Jeff Detouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED: NOV 10 2010

cc: Parties of Record

Elbert C Ray  
President  
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