

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF BEREA            )  
COLLEGE AND THE CITY OF BEREA FOR       )  
AN ORDER AUTHORIZING THE                ) CASE NO. 2004-00331  
TRANSFER OF UTILITY ASSETS             )  
PURSUANT TO KRS 278.020(5) AND (6)       )

COMMISSION STAFF'S FIRST SET  
OF INFORMATION REQUESTS TO  
BEREA COLLEGE AND THE CITY OF BEREA

Pursuant to 807 KAR 5:001, Berea College and the city of Berea (collectively "Joint Applicants") are requested to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due October 5, 2004. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Provide copies of the audited financial statements for Berea College for the fiscal year ended June 30, 2004.
2. a. Provide a detailed income statement, balance sheet, trial balance, and statement of retained earnings for Berea College's Electricity Department for the

fiscal year ended June 30, 2004 in conformity with the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission.

b. Provide a detailed income statement, balance sheet, trial balance, and statement of retained earnings for Berea College's Water Department for the fiscal year ended June 30, 2004 in conformity with the Uniform System of Accounts for Class A and B Water Companies prescribed by this Commission.

3. a. At page 3 of the Utility Purchase Agreement is the statement that the \$18,336,878 purchase price is based upon the book value of the assets listed and described on Exhibits A, B, C, E, F, and G to this Agreement, less deduction for the current liabilities. Provide an itemized calculation of the \$18,336,878 purchase using the following table.

Description	Water Department	Electricity Department	Total
Utility Plant In Service			
Accumulated Depreciation			
Reserve Balance			
Net Utility Plant In Service			
Easements, Rights of Way & Other Interests			
Accounts Receivable			
Subtotals			
Less: Current Liabilities			
Purchase Price			\$18,336,878

b. Provide the basis for the estimates used in the derivation of the purchase price.

c. Provide a comparison of the estimates used in the derivation of the \$18,336,878 with the actual amounts reported in the financial statements provided in response to Items 2(a) and 2(b).

4. Provide a list of the individuals involved in the negotiations between Joint Applicants, including the relationship of each to Berea College and/or city of Berea.

5. Provide copies of any correspondence, memoranda, or other documents describing the negotiations between Joint Applicants.

6. Provide a copy of the analysis performed by Howard K. Bell Engineers on behalf of the city of Berea.

7. Refer to paragraph 8 of the Utility Purchase Agreement. This Agreement states that the city of Berea will offer employment to each of Berea College's water system and electric system employees provided that each passes the physical examination and other screening tests routinely required of applicants for employment with the city of Berea.

a. State whether any of the employees of Berea College's water and electric system have declined the city of Berea's offer of employment. If yes, provide a list of the employees who declined and their job responsibility.

b. State whether either Berea College or the city of Berea anticipates any of the employees of Berea College's water and electric system to decline the city of Berea's offer of employment.

c. Describe the physical examination and the screening tests that the city of Berea plans to require the Berea College employees to undergo.

8. Refer to paragraph 24 of the application, which provides that the city of Berea anticipates using consultants to supplement the technical and operational expertise of employees.

- a. State what consultants the city of Berea anticipates using to supplement the technical and operational expertise of the employees.
  - b. State why the city of Berea anticipates that outside consultants may be necessary.
9. Provide a copy of Exhibit P of the Agreement.



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Beth O'Donnell  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, KY 40602

Dated: September 28, 2004

cc: Parties of Record