

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE MADISON COUNTY )  
UTILITIES DISTRICT FOR A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND NECESSITY TO ) CASE NO.  
CONSTRUCT A WATER STORAGE TANK AND ) 2008-00182  
A GENERAL RATE INCREASE TO FINANCE )  
WATER STORAGE TANK )

COMMISSION STAFF'S SECOND INFORMATION REQUEST  
TO MADISON COUNTY UTILITIES DISTRICT

Madison County Utilities District ("Madison District"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before November 14, 2008. 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.

Madison District shall make timely amendment to any prior responses 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 Madison District 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. Refer to Madison District's response to Commission Staff's First Information Request, Item 6.

a. Provide a complete and detailed description of each item listed in the table attached hereto as Schedule 1, and include copies of all supporting invoices.

b. Madison District recorded \$265,000 in Account 950: Other Income. Provide a detailed and complete description of each item recorded by Madison District in this income account. Include documentation to support each item listed in Madison District's response.

c. Madison District recorded \$25,000 in Account 950: Sale of Service Territory. Provide a detailed and complete description of each item recorded by Madison District in this income account. Include documentation to support each item listed in Madison District's response.

2. Refer to Madison District's response to the Commission Staff's First Information Request, Item 10(a)(1).

- a. Madison District states that Edwin Cain is "No Longer Employed."

Explain if Madison District intends to replace or has replaced Mr. Cain. If so, state the date that the replacement will be or was hired, the expected or actual hourly wage, and the projected or actual monthly health insurance premium.

- b. Provide the date that the current pay rates became effective.

c. The majority of the employee pay raises range from 3 to 4 percent; however, three of the employees were given raises in excess of this range. For the employees listed in the table below, provide a detailed explanation for the percentage increases in their wages.

Ref.	Employee Name	Pay Rates		
		Test Period	Current	% Increase
a.	Clark, John	\$ 44,500.00	\$ 47,000.00	5.618%
b.	Powell, Jeremy	\$ 9.98	\$ 11.48	15.030%
c.	Michaels, Jeanne	\$ 9.00	\$ 10.00	11.111%

3. Refer to Madison District's response to the Commission Staff's First Information Request, Item 10(a)(6).

a. Provide the employee information as originally requested using the table below.

Ref.	Employee Name	Position Title	Annual Hours Worked		
			Regular	Overtime	Total
a.	Burns, Randol	Supervisor			
b.	Hunter, Eddie	Supervisor			
c.	Clark, John	Manager			
d.	Powell, Jeremy	Field Service			
e.	Webb, Jared	Field Service			
f.	Cain, Edwin	Field Service			
g.	Holland, C J	Field Service			
h.	Thacker, Ben	Field Service			
i.	Turpin, Rebecca	Office Manager			
j.	Tussey, Mitzi	Clerical			
k.	York, Janet	Clerical			

l.	Hill, Charlotte	Clerical
m.	Webb, Tamara	Clerical
n.	Lainhart, Sandra	Clerical
o.	Edwards, Alice	HR/Bookkeeper
p.	Michaels, Jeanne	Admin. Assistant
q.	Bogie, Brenda	Payment Clerk

b. For each employee listed in the response to 3(a) whose regular hours differ from 2,080 per year,<sup>1</sup> provide a detailed explanation for that difference.

4. In its response to Item 10(a)(7) of the Commission Staff's First Information Request, Madison District states that "[t]he percentage of test period payroll capitalized is zero."

a. For each Madison District employee, provide the number of new meters that were installed by that employee during the test period.

b. Provide the amount of new water lines that were installed by Madison District's staff during the test period. Identify the employees involved and the amount of time each spent installing the new water lines.

c. According to the job duty descriptions, field personnel are responsible for new water service installations and new water lines. Explain why Madison District does not capitalize the labor costs incurred to perform these duties.

5. Refer to Madison District's response to the Commission Staff's First Information Request, Item 12.

a. Wanda Pennington is listed as an employee of Madison District on the January 13, 2008 health insurance invoice. Provide the following information for Ms. Pennington:

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<sup>1</sup> 40 (Hours per Week) x 52 (Weeks) = 2,080 Annual Hours.

- (1) Position Title.
- (2) Date Hired.
- (3) Job duties.
- (4) Current pay rate.
- (5) Average regular hours and overtime worked in a week.

b. Identify any new employees whom Madison District has hired since December 31, 2007. For each new employee listed, provide the information that is requested in Item 5(a). Also, state the type of health insurance coverage that Madison District is providing to each employee listed.

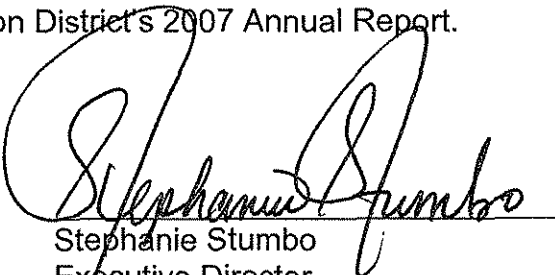
6. Refer to Madison District's response to the Commission Staff's First Information Request, Item 13. Provide vendor invoices of the costs incurred to date related to the application filed in this current proceeding. The invoices should contain detailed descriptions of the services, the amount of time billed for each service, and the hourly billing rate.

7. Refer to Madison District's response to the Commission Staff's First Information Request, Item 14.

a. Madison District is funding the installation of the 500,000-gallon water tank with a \$1,004,560 Federally Assisted Drinking Water Revolving Loan Fund ("DWRLF") and a \$100,456 DWRLF. Both will be administered by the Kentucky Infrastructure Authority ("KIA"). Provide current amortization schedules for each loan and indicate the debt service that will be required by KIA. Include documentation to support KIA's debt service requirement.

b. Provide the debt service requirement for the KIA Loan No. F02-07 and the Utility District Revenue and Refunding Bonds, Series 2008. Include documentation to support the debt service requirement for each long-term debt.

8. Refer to Madison District's June 26, 2008 response to the Commission's June 2, 2008 letter, Depreciation Schedule. In its response, Madison District has submitted numerous depreciation schedules but has not provided an adequate reconciliation between the amounts listed on the schedules to the test period depreciation expense of \$399,629.<sup>2</sup> Provide a complete depreciation schedule for the calendar year 2007 that reflects the amount recorded in Madison District's 2007 Annual Report.



Stephanie Stumbo  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED: October 30, 2008

cc: Parties of Record

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<sup>2</sup> Annual Report of Madison District to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2007 ("2007 Annual Report") at 11.

Madison County Utilities District  
Case No. 2008-00182  
Schedule 1

Ref	Date	Reference	Account	Description	Amount
a.	01/02/07	14602	851	Jaynes & Jaynes, PSC	\$ 875.00
b.	01/18/07	14595	852	CMW, Inc.	\$ 643.10
c.	01/16/07	14590	930	Robert Thomas	\$ 9,000.00
d.	02/22/07	14684	930	CMW, Inc.	\$ 3,632.60
e.	03/08/07	14751	930	CMW, Inc.	\$ 2,364.91
f.	03/19/07	14766	930	CMW, Inc.	\$ 2,089.45
g.	03/12/07	14762	926	Software Solutions, Inc.	\$ 3,795.00
h.	03/05/07	14723	930	Dudley & AJ Winkler	\$ 2,360.00
i.	04/25/07	14875	851	Charles W. Hardin	\$ 937.50
j.	04/09/07	14836	930	CMW, Inc.	\$ 1,004.93
k.	04/11/07	14841	853	Commonwealth Ford	\$ 1,619.40
l.	04/04/07	14826	930	Dudley Winkler	\$ 3,150.00
m.	04/19/07	14863	930	Neil Burns	\$ 2,850.00
n.	05/24/07	14968	851	Charles W. Hardin	\$ 500.00
o.	05/24/07	14943	852	CMW, Inc.	\$ 2,523.46
p.	05/16/07	14938	930	Service Specialties	\$ 2,298.98
q.	06/14/07	15029	852	CMW, Inc.	\$ 1,111.64
r.	06/07/07	15014	930	Neil Burns	\$ 1,200.00
s.	07/06/07	16200	852	CMW, Inc.	\$ 549.51
t.	07/03/07	16190	930	Dudley & AJ Walker	\$ 2,310.00
u.	07/03/07	19195	930	Service Specialties	\$ 2,052.00
v.	07/05/07	16215	930	Richmond Road Paving	\$ 4,064.50
w.	07/12/07	16236	930	Neil Burns	\$ 1,020.00
x.	08/20/07	16358	852	CMW, Inc.	\$ 2,420.46
y.	08/01/07	16280	930	Dudley & AJ Walker	\$ 1,920.00
z.	08/09/07	16311	930	Neil Burns	\$ 1,540.00
aa.	09/19/07	16449	852	CMW, Inc.	\$ 1,492.13
ab.	09/05/07	16395	930	Dudley & AJ Walker	\$ 2,370.00
ac.	09/27/07	16451	930	CJ Yardwork	\$ 1,120.00
ad.	10/04/07	16493	852	CMW, Inc.	\$ 4,632.02
ae.	10/22/07	16548	852	CMW, Inc.	\$ 1,500.10
af.	10/19/07	16539	930	Neil Burns	\$ 1,380.00
ag.	11/20/07	16634	852	CMW, Inc.	\$ 2,164.93
ah.	11/02/07	16575	930	Dudley & AJ Walker	\$ 3,600.00
ai.	12/21/07	16742	852	CMW, Inc.	\$ 1,026.00
aj.	12/07/07	16687	930	Dudley & AJ Walker	\$ 5,960.00
ak.	12/18/07	16727	930	Neil Burns	\$ 1,000.00