

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BULLOCK PEN)
WATER DISTRICT FOR A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY TO)
CONSTRUCT PROPOSED WATERWORKS)
IMPROVEMENT PROJECT AND FOR)
APPROVAL OF PROPOSED PLAN OF)
FINANCING, INCREASE IN RATES,)
NONRECURRING CHARGES, AND TARIFF)
REVISIONS)

CASE NO.
2008-00170

COMMISSION STAFF'S SECOND INFORMATION REQUEST
TO BULLOCK PEN WATER DISTRICT

Bullock Pen Water District ("Bullock Pen"), 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 on or before June 5, 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.

Bullock Pen 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 Bullock Pen 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 copy of the audited financial statements for the 12-month period ending December 31, 2008. Include copies of the accountant's workpapers and year-end adjusting journal entries. If audited financial statements are not currently available, give an estimated date that this information will be submitted to the Commission.

2. Provide a copy of Bullock Pen's 2008 Annual Report covering the 12 months ending December 31, 2008.

3. Refer to Exhibit 5 of Bullock Pen's Application, the pro forma income statement for the calendar year 2007.

- a. Provide a revised pro forma income statement using the operating revenues and expenses for the calendar year 2008. Provide a complete copy of the workpapers, calculations, and assumptions Bullock Pen used to develop its 2008 pro forma test-period financial information.

b. Using the revised pro forma income statement from the response to item 1, calculate Bullock Pen's revenue requirement. Provide a complete copy of the workpapers, calculations, and assumptions Bullock Pen used to develop its 2008 pro forma test-period financial information.

c. Bullock Pen included a debt payment of \$754,827 on its 2007 pro forma income statement. Provide a schedule showing the principal and interest payments Bullock Pen included in its debt payment of \$745,827.

4. Refer to Exhibit 7 of the Application, the test-year billing analysis. Provide a billing analysis for the calendar year 2008.

5. Provide a copy of the monthly billing registers for January 2008 through December 2008. The billing registers should show individual customers, usage, and amount billed. Provide the customer billing information on a computer disk in Microsoft Office Excel format.

6. Provide a schedule, by customer, of water leak allowances or any other adjustments to customers' usage during the calendar year 2008.

7. Provide monthly water loss reports since January 2008. Provide a worksheet summarizing total test-period water loss if available.

8. Provide a copy of the minutes of the Board of Directors meetings held since January 2008.

9. Provide a calendar year 2008 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 should include all asset, liability, capital, income, and

expense accounts used by Bullock Pen. All accounts should show activity for 12 months. Show the balance in each control account and all underlying subaccounts per company books. The 2008 general ledger should be provided on a computer disk in Microsoft Office Excel format.

10. For each cash account used by Bullock Pen during the calendar year 2008, provide a cash disbursements ledger that lists all checks in chronological order and details the date paid, check number, vendor, and amount. The 2008 cash disbursements ledger should be provided on a computer disk in Microsoft Office Excel format.

11. Reconcile the test-period general ledger expense accounts to the expense amounts reported on reference page 28 of Bullock Pen's 2008 Annual Report.

12. a. Provide a list of all employees employed during the calendar year 2008. For each employee listed, provide the following:

(1) Name.

(2) Title.

(3) Length of employment with Bullock Pen.

(4) Job duties.

(5) The pay rate in effect during the calendar year 2008 and the pay rate that is currently in effect. Also, state the date the current pay rates became effective.

(6) The regular time worked and overtime worked during the calendar year 2008.

(7) Percentage of the calendar year 2008 payroll that Bullock Pen capitalized. Provide a detailed explanation if Bullock Pen did not capitalize any of its payroll during the calendar year 2008.

(8) Total calendar year 2008 payroll expensed and capitalized.

(9) Type of employee benefits (i.e., health insurance, dental insurance, vision insurance, pension, etc.) and amounts paid for each by Bullock Pen.

b. Provide a copy of the employee information requested in 12(a) on a computer disk in Microsoft Office Excel format.

c. Identify any employees listed in response to 12(a) that are no longer employed by Bullock Pen. State whether the vacant position has been filled and provide the information requested in 12(a) for the new employee. If the position has not been filled, state when you expect to hire a new employee or if the position will remain vacant.

d. Provide the notification Bullock Pen received from the Kentucky Retirement Systems of the employer contribution rate that will be effective for the fiscal year July 1, 2009 through June 30, 2010.

13. Provide a detailed list of all fringe benefits available to Bullock Pen employees, the actual cost of each benefit for the calendar year 2008, and the current cost of each fringe benefit. Indicate which fringe benefits, if any, are limited to management or full-time employees. Explain any changes in fringe benefits that have occurred since December 31, 2008.

14. Provide the most recent vendor invoice for health insurance. The invoice should list employees individually by name and state clearly the type and cost of the coverage provided. Identify whether the employee is responsible for paying for a portion of

his health insurance coverage and identify the amount each employee is responsible for paying.

15. a. Provide a schedule detailing all test-period expenditures related to the application filed in this current proceeding. Provide in the schedule the nature and amounts of all charges and provide a copy of vendor invoices. The invoices should contain detailed descriptions of the services, the amount of time billed for each service, and the hourly billing rate. Identify the account number and title to which each amount was charged.

b. Provide the anticipated total cost of the case upon completion. The projected amount should be detailed by type of service and vendor with supporting documentation for each.

c. Provide a monthly update of the schedule requested in 15(a) showing all of the costs incurred as of that date. Include the supporting detailed vendor invoices as requested in 15(a).

16. Provide a schedule listing Bullock Pen's insurance coverage, including type of coverage, annual premiums, and effective dates. Include copies of invoices received in 2008 and 2009.

17. Provide a copy of Bullock Pen's depreciation schedule supporting the calendar year 2008 depreciation expense.

18. For each debt of Bullock Pen currently outstanding or outstanding during the calendar year 2008, provide the following:

a. The bond ordinance or resolution authorizing each bond issuance or long-term loan.

b. A current amortization schedule for each bond, lease, or note payable listed on reference page 22 of Bullock Pen's 2008 Annual Report. The amortization schedules should be for the entire life of each debt listed and should detail the payment amounts, principal retirements, interest payments, interest rates, and outstanding balances.

c. For each long-term debt listed on reference page 22 of Bullock Pen's 2008 Annual Report that has a term that exceeds two years, cite the proceeding in which Commission approval of the financing was granted.

d. A description of the use of the borrowed funds.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
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DATED: MAY 19 2009

cc: Parties of Record

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