

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MONTGOMERY COUNTY)	CASE NO.
WATER DISTRICT NO. 1 FOR RATE)	2009-00343
ADJUSTMENT PURSUANT TO 807 KAR 5:076)	

COMMISSION STAFF'S FIRST INFORMATION REQUEST
TO MONTGOMERY COUNTY WATER DISTRICT NO. 1

Montgomery County Water District No. 1 ("Montgomery District"), 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 15 days from the date of this 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.

Montgomery District 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 Montgomery 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. Provide a legible copy of Montgomery District's monthly billing registers for January 2008 through December 2008. The billing registers should show individual customers, usage, and amounts billed. The preferred medium is to provide the customer billing information on a computer disk in Microsoft Office Excel format.

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

3. Provide monthly water loss reports for the calendar year 2008 and through the most recent report. Provide a worksheet summarizing total test-period water loss if available.

4. Provide minutes of Commissioners or Board of Directors meetings held during the calendar year 2008 and all meetings held since the end of the test period.

5. 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 shall include all asset, liability, capital, income, and expense accounts used by Montgomery District. 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.

6. For each cash account used by Montgomery District 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.

7. Reconcile the test-period general ledger expense accounts with the expense amounts reported on page 28 of the Annual Report of Montgomery District to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2008 ("2008 Annual Report").

8. 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 Montgomery District.
- (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 Montgomery District capitalized. Provide a detailed explanation if Montgomery District did not capitalize any of its payroll during the calendar year 2008.

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

(9) Types of employee benefits (i.e., health insurance, dental insurance, vision insurance, pension, etc.) and amounts paid for each by Montgomery District.

b. Provide a copy of the employee information requested in 8(a) on a computer disk in Microsoft Office Excel format.

c. Identify any employees listed in the response to 8(a) who are no longer employed by Montgomery District. State whether each vacant position has been filled and provide the information requested in 8(a) for the new employee. If the position has not been filled, state when you expect to hire a new employee or state whether the position will remain vacant.

d. Provide the notification Montgomery District 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.

9. Provide a detailed list of all fringe benefits available to Montgomery District 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.

10. Provide the most recent vendor invoice for health insurance. The invoice shall list employees individually by name and state clearly the type and cost of the coverage provided. Identify whether the employee is responsible to pay for a portion of his health insurance coverage and identify the amount each employee is responsible to pay.

11. Refer to page 28 of the 2008 Annual Report. Montgomery District reports general liability insurance and workers' compensation of \$5,430 and \$1,500, respectively. Provide a schedule listing Montgomery District's insurance coverage, including type of coverage, annual premiums, and effective dates. Include copies of invoices received in 2008 and 2009.

12. Refer to the Application at 2 and 3 regarding purchased power expense.

a. Montgomery District did not report a purchased power expense in its 2006, 2007, or 2008 annual reports. Staff notes that the Kentucky Utilities Company ("KU") invoices attached to the application show that Montgomery District began purchasing electricity from KU on January 21, 2009. Provide a detailed explanation of what has changed in Montgomery District's operations that would require it to begin purchasing electricity from KU in 2009.

b. Provide copies of the invoices received from KU since the filing of this application on August 24, 2009.

13. Refer to the Application at 2 and 3 regarding the testing expense proposed pro forma increase of \$191. Provide a complete description of the new test

that is being required; identify the agency that is requiring Montgomery District to perform the new test; and provide a copy of any written notification or documentation showing that the new test is required.

14. Refer to the Application at 2 and 3 regarding stage 2 H5 and THM testing in the annual amount of \$1,608. Provide a complete description of the stage 2 H5 and THM test; identify the agency that is requiring Montgomery District to perform the stage 2 H5 and THM test; and provide a copy of any written notification or documentation showing that the stage 2 H5 and THM test is required.

15. Montgomery District attached the "Analysis of Accumulated Depreciation" from its 2008 Annual Report. Provide a copy of Montgomery District's depreciation schedule supporting the calendar year 2008 depreciation expense.

16. In its application, Montgomery District provided the "Annual Statement of Loan Account" from the United States Department of Agriculture ("USDA Rural Development") showing that, as of December 31, 2007, the outstanding loan balance was \$252,000.

- a. Is this the only long-term debt that is currently outstanding?
- b. Provide the bond ordinance or resolution authorizing the USDA Rural Development long-term loan.
- c. Provide a current amortization schedule for the USDA Rural Development loan. The amortization schedule should be for the entire life of the loan and should detail the payment amounts, principal retirements, interest payments, interest rates, and outstanding balances.

d. Cite the proceeding in which Commission approval of the USDA Rural Development loan was granted.

e. Provide 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: OCT 30 2009

cc: Parties of Record

Uriah Holley, Jr.
Montgomery County Water District #1
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