

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF WHOLESALE )  
WATER SERVICE RATES OF THE CITY OF ) CASE NO. 2009-00428  
GREENSBURG )

ORDER

The City of Greensburg, Kentucky ("Greensburg") has submitted a proposed revision to its existing rates for wholesale water service to public utilities. Greensburg proposed that these revisions become effective on November 8, 2009.

The Commission suspended the rate revision for five months in a previous Order; this suspension ends April 8, 2010. To ensure that the case proceeds in a timely and efficient manner, the Commission finds that it is appropriate to set a procedural schedule. It also finds that additional information must be filed by Greensburg in order for the Commission to review properly the proposed rate increase.

IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A to this Order shall be followed.

2. Prior to filing any materials with the Commission, all parties should carefully review documents to ensure that any personal identifiers of a sensitive nature, such as social security numbers, tax identification numbers, insurance policy identification numbers, and bank account numbers, are redacted, unless the documents are to be filed confidentially under 807 KAR 5:001, Section 7.

3. At any hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

4. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

5. All documents that this Order requires to be filed with the Commission shall be served upon all other parties.

6. Greensburg shall, no later than December 23, 2009, file with the Commission the original and six copies of the information listed in Appendix B, with a copy to all parties of record.

a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided.

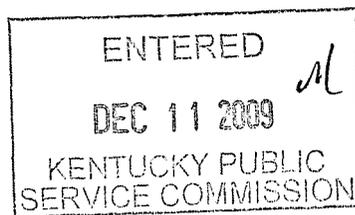
b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party 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.

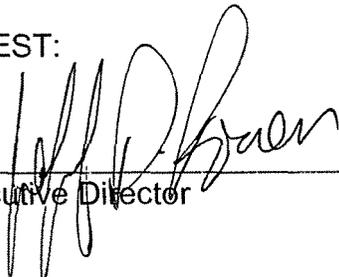
d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

7. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2009-00428 DATED DEC 11 2009

Greensburg shall file its response to the Commission's request  
for information no later than..... 12/23/2009

Intervenors and Commission Staff shall serve their first set of inter-  
rogatories and requests for production of documents upon Greensburg  
no later than..... 01/15/2010

Greensburg shall file with the Commission and serve upon all parties  
of record and Commission Staff its responses to the first set of  
interrogatories and requests for production of documents no later than..... 01/29/2010

Intervenors and Commission Staff shall serve their second set of inter-  
rogatories and requests for production of documents upon Greensburg  
no later than..... 02/12/2010

Greensburg shall file with the Commission and serve upon all parties  
of record and Commission Staff its responses to the second set of  
interrogatories and requests for production of documents no later than..... 02/26/2010

Intervenor testimony, if any, shall be filed with the Commission  
and served upon all parties of record in verified prepared form  
no later than..... 03/05/2010

Parties and Commission Staff shall serve interrogatories and  
requests for production of documents upon Intervenors no later than..... 03/19/2010

Intervenors shall file with the Commission and serve upon all other parties  
of record and Commission Staff their responses to interrogatories and  
requests for production of documents no later than..... 04/05/2010

Public Hearing is to held at the Commission's offices at 211 Sower  
Boulevard, Frankfort, Kentucky, for the purpose of cross-examination  
of witnesses..... To Be Announced

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00428 DATED DEC 11 2009

1. Provide, in written verified form, the direct testimony of each witness that Greensburg intends to call at the scheduled hearing in this matter.

2. Provide the independent auditor's reports for Greensburg's water operations for the fiscal years ending June 30, 2006, June 30, 2007, and June 30, 2008.

3. a. State the test period upon which Greensburg bases its proposed rate adjustment.

b. Explain why this test period was chosen.

4. Provide the general ledgers for Greensburg's water operations for the proposed test period and the most recently concluded fiscal year. These general ledgers shall include all check registers and spreadsheets used to record and track financial transactions.

5. For each outstanding revenue bond issuance related to Greensburg's water and sewer operations:

a. Provide the bond ordinance or resolution authorizing the issuance of revenue bonds.

b. Provide an amortization schedule.

c. Provide a detailed explanation of why the debt was incurred.

6. List all persons on Greensburg's payroll during the proposed test period. For each employee, state his or her job duties, total wages paid during the fiscal year, current salary or wage rate, and the percentage of work hours spent performing duties

for each city division (e.g., water, sewer, police department, public works) during the fiscal year. If Greensburg's records do not permit the allocation of an employee's work hours among city divisions, provide an estimate for each employee and explain how Greensburg derived the estimate.

7. For each employee listed in Item 6, describe how Greensburg allocated his or her payroll and payroll overhead charges to each city division for the proposed test period. This response shall include a detailed explanation of all allocation procedures. Payroll overhead charges include payroll taxes, health insurance premiums, pension costs, and any other employee benefit costs.

8. a. List all joint or shared costs that Greensburg incurred during the proposed test period. For each cost, list the vendor, total expense amount, amounts allocated per division, and the basis for allocation.

b. Describe the procedures to allocate joint and shared costs among Greensburg's divisions for the proposed test period.

c. Provide all internal memoranda, policy statements, correspondence, and documents related to the allocation of joint and shared costs.

9. Provide detailed depreciation schedules for the water and sewer divisions. A separate schedule shall be provided for each division.

10. Provide an adjusted trial balance and audit adjustments for the proposed test period and the most recently completed fiscal year. The trial balance shall be traced and referenced directly to the general ledgers requested in Item 4.

11. Provide the "Enterprise Funds Uniform Financial Information Report" that Greensburg submitted to the Kentucky Department of Local Government for the fiscal years ending June 30, 2004, June 30, 2005, June 30, 2006, June 30, 2007, and June 30, 2008.

12. a. Complete the table below:

| Water Main Size* | Total Miles Of Line | Miles Of Lines Jointly Used By Both Greensburg and Its Wholesale Customers |
|------------------|---------------------|--|
| 24"              |                     |  |
| 22"              |                     |  |
| 20"              |                     |  |
| 18"              |                     |  |
| 16"              |                     |  |
| 14"              |                     |  |
| 12"              |                     |  |
| 10"              |                     |  |
| 8"               |                     |  |
| 6"               |                     |  |
| 4"               |                     |  |
| 2"               |                     |  |

\*If Greensburg has mains larger than listed, provide the information as requested on a separate sheet referencing this question.

b. Who paid for the water main(s) that Greensburg uses to deliver water to Greensburg's wholesale customers?

c. Besides Green-Taylor Water District, what other customers, if any, does Greensburg serve from the water mains that it uses to deliver water to these customers?

d. For each customer listed in response to Item 12(c), provide its monthly water usage for each of the previous 24 months.

13. a. What is the maximum capacity of Greensburg's water treatment plant?

b. (1) How much of Greensburg's total water treatment plant capacity is currently reserved for each wholesale customer? Provide the name of the wholesale customer and the plant capacity reserved for that customer.

(2) What changes, if any, does Greensburg expect within the next three years in the level of water treatment capacity reserved for each of the customers listed in Item 13(b)(1)? Why does Greensburg expect these changes?

14. a. Who owns the master meter(s) through which Greensburg provides water to the customers listed in Item 13(b)(1)?

b. Through how many master meters does Greensburg provide water service to each of the customers listed in Item 13(b)(1)?

c. Who is responsible for maintaining these master meters?

15. Provide a system map showing all Greensburg facilities that are used to serve the customers listed in Item 13(b)(1).

16. What portion, if any, of Greensburg's water main(s) that serve the customers listed in Item 13(b)(1) are gravity-fed?

17. For each month of the previous 36 months, state Greensburg's water sales (in gallons) to its retail customers and each of its wholesale customers.

18. Complete the table below:

| City of Greensburg**                 | Gallons for Test Period | Gallons for Fiscal Year Ending June 30, 2009 |
|--------------------------------------|-------------------------|--|
| Plant Use                            |                         |  |
| Line Loss (Unaccounted for)          |                         |  |
| Sales to Retail                      |                         |  |
| Sales to Green-Taylor Water District |                         |  |
| Sales to other wholesale customer 1  |                         |  |
| Sales to other wholesale customer 2  |                         |  |
| Total Produced and Purchased         |                         |  |
| Total Sold                           |                         |  |

\*\*If Greensburg has other wholesale customers than listed, provide the information requested on a separate sheet referencing this question.

19. What types of water service (e.g., service to municipal buildings, fire protection, etc.) are included in the unmetered amount? For each type of service, estimate the percentage of the total unmetered amount.

20. Provide the cost-of-service study report previously prepared on Greensburg's wholesale water service to the current cost-of-service study.

21. a. Who prepared the current cost-of-service study?
- b. Provide the preparer's curriculum vitae.
- c. List all cases before the Commission in which the preparer has submitted a cost-of-service study.
- d. List all utilities (municipal or public) for which the preparer has prepared a cost-of-service study. For each utility, identify the type of utility service (water or sewer) for which the report was prepared.

22. Provide a copy of the cost-of-service study upon which the proposed rates are based.

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