

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES) CASE NO. 2009-00465
OF THE CITY OF WHITESBURG)

COMMISSION STAFF'S THIRD INFORMATION REQUEST
TO THE CITY OF WHITESBURG

The City of Whitesburg ("Whitesburg"), pursuant to 807 KAR 5:001, is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the issuance 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 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.

Whitesburg 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

Whitesburg 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.

Prior to filing any information 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.

1. Provide the audit reports for the 2008 and 2009 fiscal years as requested in the Commission's Order of December 1, 2009.
2. Provide a trial balance for the 12-month test period.
3. Provide a trial balance for the fiscal year ending June 30, 2009.
4. Provide an income statement (including depreciation expense) for both the test period and the fiscal year ending June 30, 2009. Provide this information in the format shown on pages 4 and 5 of Exhibit 3 filed in response to the Commission's Order of December 1, 2009. Include in this format a category for the amounts allocated to Whitesburg's wholesale customer.

5. Using the same format as Item 4, for both the test period and the fiscal year ending June 30, 2009, provide a breakdown of the underlying revenues and expenses comprising the response to Item 4 above.

6. Provide an explanation of how the revenues and expenses provided in response to Item 4 above were allocated to the wholesale customer.

7. Provide a signed copy of the contract between Whitesburg and Veolia Water for the provision of management services.

8. Provide detailed monthly invoices from Veolia for the services provided under the above contract for both the test period and the fiscal year ending June 30, 2009. These invoices should include, at a minimum, the date, expense, and amount of the service provided. Reconcile these expenses with the amounts shown in response to Item 4 above.

9. In response to Item 3 of the Commission's Order of December 1, 2009, Whitesburg referenced a cost-of-service study performed by the Kentucky Rural Water Association for a 2006 fiscal year test period. Provide an explanation as to why there was no reference to the actual test period used in this proceeding.

10. Provide an explanation and calculation for each of the amounts shown in Exhibit 7(b) provided in response to the Commission Staff's Second Information Request.

11. Identify the period of time that is covered in the information shown in Exhibit 7(a) of the Commission Staff's Second Information Request.

12. Provide a depreciation schedule for the test period and fiscal year ending June 30, 2009. Allocate depreciation between total company, water department, sewer department, and wholesale customer.

13. Provide three-year average debt service coverage for the test period and the fiscal year ending June 30, 2009. Show the calculation and allocate the debt service between the whole company, the water department, sewer department, and wholesale customer. Provide an explanation of the allocation to the wholesale customer.



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DATED: MAY 10 2010

cc: Parties of Record

Case No. 2009-00465

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