COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY WATER DISTRICT FOR AN ADJUSTMENT OF RATES	)))	CASE NO. 2010-00094

COMMISSION STAFF'S FIRST INFORMATION REQUEST TO NORTHERN KENTUCKY WATER DISTRICT

Northern Kentucky Water District ("Northern District"), pursuant to 807 KAR 5:001, shall file with the Commission the original, one paper copy and one electronic copy of the following information, with a copy to all parties of record. The information requested herein is due on or before either 14 days after the initial submission of the rate application or 28 days after the date of this data request, whichever is later. 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 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.

Northern 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 Northern District fails or refuses to furnish all or part of the requested information, Northern District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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 complete copy of the workpapers, calculations, and assumptions Northern District used to develop its pro forma test-period financial information.

2. List all business activities of Northern District aside from its regulated utility activities. For each activity listed, describe the accounting policies and procedures in place to ensure that those activities are not subsidized by regulated rates or vice versa.

3. Provide a schedule listing each project included in the test-period Construction Work in Progress. Include a detailed description of each project included in the schedule.

4. Provide a test-period 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 Northern District. All accounts should show activity for 12 months. Show the balance in each control and all underlying subaccounts per company books.

5. For each cash account used by Northern District during the test year, provide a cash disbursements ledger that lists all checks in chronological order and details the date paid, check number, vendor, and amount.

6. Reconcile the test-period general ledger expense accounts to the expense amounts reported on page 28 of Northern District's 2009 annual report.

7. Provide a copy of all audit adjustments made for the test-period financial statements.

8. a. Provide a list of all employees employed during the test period. For each employee listed, provide the following:

(1) Name;

(2) Title;

(3) Length of employment with Northern District;

(4) Job duties;

(5) Test-period pay rate and current pay rate;

(6) Test-period regular time worked and overtime worked;

(7) Percentage of test-period payroll capitalized;

(8) Total test-period payroll expensed and capitalized; and

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

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

c. Provide the employer retirement contribution rates that were effective during calendar years 2007, 2008, and 2009, including the date the rate became effective.

d. If the employer retirement contribution rate will be changed in calendar year 2010, provide the rate and the date it will become effective.

9. Provide a detailed list of all fringe benefits available to Northern District employees, the actual test-period cost of each benefit, and the pro forma cost. Provide comparative cost information for calendar years 2007, 2008, and 2009. Indicate which fringe benefits, if any, are limited to management or full-time employees. Explain any changes in fringe benefits occurring over this period.

10. 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 along with 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 10(a) showing all of the costs incurred as of that date. Include the supporting detailed vendor invoices as requested in 10(a).

11. For each debt of Northern District currently outstanding or outstanding during the test year:

a. Provide a current amortization schedule that includes the entire life of the loan or bond and that details the payment amounts, principal retirements, interest payments, interest rates, and outstanding balances.

b. Provide a description of the use of the borrowed funds.

c. State which debts were incurred either entirely or partially to finance sub-district operations and retired with sub-district surcharge revenue.

12. List all Northern District sub-districts and provide separately the following information for each sub-district:

a. The amount of the monthly surcharge currently assessed to each member of the sub-district and the original surcharge amount if different from that currently assessed. For all surcharge amounts that have changed from the original amount approved by the Commission, state all changes to each sub-district surcharge amount and the date of each change.

b. The date the surcharge was first assessed to its customers.

c. Total surcharge collections for each calendar year since the surcharge's inception.

d. The number of customers at the end of each calendar year, beginning with the sub-district's first year of operation.

e. All household income statistics used by Northern District to secure project financing.

13. Provide all analyses and studies performed by Northern District or on its behalf to determine the impact on general rates if all sub-district surcharges were eliminated.

Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED: MAR 1 9 2010

cc: Parties of Record

Honorable John N Hughes
Attorney at Law
124 West Todd Street
Frankfort, KY 40601