

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING OF HILLRIDGE) CASE NO. 2010-00426
FACILITIES, INC.)

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO HILLRIDGE FACILITIES, INC.

Pursuant to 807 KAR 5:001, Commission Staff requests that Hillridge Facilities, Inc. ("Hillridge") file the original and two copies of the following information with the Commission no later than April 11, 2011, with a copy to all parties of record. Each copy of the information requested shall be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Careful attention shall be given to copied material to ensure its legibility.

Each response shall be answered under oath or, for representatives of a public or private corporation, a partnership, an 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.

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

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. a. State the current balance of the promissory note that Hillridge issued on September 29, 2010 to Sonja Ridge.

b. State the reasons for the issuance of the original promissory note of October 1, 2008. State and describe each use of the proceeds of \$54,985.90 of the original note.

2. State whether the principal purpose of the infiltration and inflow study of Hillridge's collection system that the Louisville-Jefferson County Metropolitan Sewer District ("MSD") conducted was to evaluate the cost of purchasing Hillridge's collection and treatment system. If no, state the purpose.

3. State whether Hillridge had previously conducted any infiltration and inflow study of its collection system prior to the study that MSD conducted.

4. State whether, prior to MSD conducting an infiltration and inflow video, Hillridge had any plans to conduct an infiltration and inflow study of its collection system at its own expense.

5. State whether the Kentucky Division of Water ("DOW") has ordered Hillridge to conduct an infiltration and inflow study or to make specific repairs to its collection system. If yes, provide the directive or order from DOW and identify the repairs.

6. Explain why Hillridge required the services of a consultant to prepare an application for rate adjustment under the Public Service Commission's Alternative Rate Filing procedures. Identify the specific portions of the process that required the use of a consultant.

7. State whether Hillridge has a written routine maintenance plan. If yes, provide the plan.

8. Provide all bills for electric service issued to Hillridge for its sewage facilities during the months of July and September 2009.

9. Refer to Hillridge's Response to Commission Staff's First Request for Information, Item 9.

a. Identify the DOW officials who advised Hillridge that the utility would not be eligible for a rate adjustment.

b. State whether Hillridge sought guidance from the Public Service Commission regarding its eligibility for a rate adjustment. If yes, identify the persons with whom Hillridge communicated and their response.

10. Refer to Hillridge's Response to Commission Staff's First Request for Information, Item 10.

a. State the date when Hillridge applied to River City Bank for funding.

b. Explain why Hillridge did not apply to other banks or lending institutions.

11. Describe how Hillridge determined the areas that require repair and whose repair should be funded through the proposed surcharge.

12. Explain why the bids that Hillridge submitted in support of its proposed surcharge differ in the number of locations where repair work will be performed. (For example, the bid of Murphy's Excavating listed 23 locations, while the bid of Camden Environmental Service Co. listed only 22 locations, and the bid of Bland Plumbing and Piping listed 19 locations.)

13. Provide a schematic map of Hillridge's collection and treatment system. This map should identify major system features, to include collection mains and manholes. Manholes should be identified by number.

14. Provide the request for bids or similar document that Hillridge provided to those persons submitting bids for the proposed repair work.

15. Describe how Hillridge obtained a copy of the MSD infiltration and inflow video that was subsequently filed with the Public Service Commission.

16. Describe how the areas that are the subject of the MSD infiltration and inflow video were selected.

17. Identify the areas of Hillridge's collection system that were not examined as part of the MSD infiltration and inflow video.

18. State whether a professional engineering firm has conducted an infiltration and inflow study of Hillridge's collection system. If yes, provide a copy of this study.

19. State whether Hillridge has prepared a sanitary sewer overflow plan. If yes, provide a copy. If no, explain why not and state the date that Hillridge expects to complete such a plan.


20. a. Provide invoices for all legal expenses incurred during the test period.

b. For each legal expense incurred, state whether the expense was related to MSD's potential acquisition of Hillridge's assets or MSD's efforts to assume responsibility for providing sewer collection and treatment service for the area that Hillridge currently serves.

c. For each expense related to MSD's potential acquisition of Hillridge's assets or MSD's efforts to assume responsibility for providing sewer collection and treatment service, explain why such expense benefits the ratepayers of Hillridge or is related to the provision of utility service.

21. Describe how Hillridge determined that its legal expenses during the test period were \$19,000.

22. Provide invoices for the legal fees of \$2,708 to which Hillridge refers in its response to Commission Staff's report. These invoices should identify in detail the nature of the service performed and the amount of time involved. For each item on the invoice, state whether the expense was related to MSD's potential acquisition of Hillridge's assets or MSD's efforts to assume responsibility for providing sewer collection and treatment service for the area that Hillridge currently serves.


Jeff Derouen
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DATED: MAR 28 2011

cc: Parties of Record

Case No. 2010-00426

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