

Commonwealth of Kentucky
Before the Public Service Commission

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JAN 13 2006

In the Matter of:

APPLICATION OF WATER SERVICE)
CORPORATION OF KENTUCKY FOR)
AN ADJUSTMENT OF RATES)

PUBLIC SERVICE)
COMMISSION)
Case No. 2005-00325

ATTORNEY GENERAL'S REQUEST FOR INFORMATION

The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, submits this Request for Information to the Water Service Corporation of Kentucky.

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the company witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

GREGORY D. STUMBO
ATTORNEY GENERAL

David Edward Spenard

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Certificate of Service and Filing

Counsel certifies filing of the original and ten photocopies of this Request for Information by hand delivery to Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; furthermore, service of the filing was by mailing a true and correct of the same, first class postage prepaid, to John N. Hughes, 124 West Todd Street, Frankfort, Kentucky 40601, and Damon R. Talley, P. O. Box 150, Hodgenville, Kentucky 42748, all on this 13th day of January 2006.

David Edward Spenard

Assistant Attorney General

Attorney General's Request for Information

1. RE: Application, Exhibit 3 – Middlesboro rates. Please explain: (a) why the utility seeks separate rates (such as “Industrial city special”) for certain industrial, commercial, and governmental rates; and (b) how the utility designs the rates for each of these separate classification. (For example, why are there four different “government city special” proposed rates and how are these rates determined?)
2. RE: Application, Exhibits 4 and 5. Is the utility using a forward-looking test period? If no, please explain how each pro forma adjustment is “known and measurable.”
3. RE: Application, Exhibit 5 (Testimony of Weeks, Question 9). Is it Ms. Weeks’ testimony that there is no difference in the cost of service for the Clinton and Middlesboro systems? (For example, is there any difference in cost of service attributable to the use of wells in Clinton and the surface treatment facility in Middlesboro or any difference in the customer density and corresponding distribution infrastructure of these respective customer groups?)
4. RE: Application, Exhibit 5 (Testimony of Weeks, Question 9). Please identify the factors or principles for designing rates that are relevant to the applicant’s decision for continuing separate rate structures.
5. RE: Testimony of Ahern. Please answer and provide the following:
 - a. Identify (by case number) each proceeding in which Ms. Ahern has testified before the Kentucky Public Service Commission.
 - b. Identify the date on which Ms. Ahern was retained to provide rate case assistance for this application.
 - c. Identify (by case number and date) each Order of the Kentucky Public Service Commission that Ms. Ahern reviewed in preparing her testimony.
 - d. Provide photocopies of Ms. Ahern’s three most recent (as of the date of this request) filed testimonies in which she has offered an expert opinion on a utility’s required rate of return and for which a regulatory commission or regulatory body has issued an order or opinion establishing a rate of return.
 - e. Provide photocopies of the orders or opinions discussed in sub-part d.

- f. For the years, by year, 2000 through 2005, provide a schedule that shows the following: (i) the utility or applicant; (ii) the jurisdiction; (iii) Ms. Ahern's overall recommended rate of return; (iv) Ms. Ahern's recommendation for return on equity; (v) the date of the regulatory body's order or opinion establishing or setting rates; (vi) the established overall rate of return; and (vii) the established return on equity.
- g. Please identify the specific documents and reports of the applicant that Ms. Ahern reviewed in preparing her testimony. (For example, did Ms. Ahern review the audited financial statements of Kentucky Water Service Corporation?)
- h. Please identify: by (i) jurisdiction; (ii) entity; (iii) date of filing; and (iv) docket number, each instance in which Ms. Ahern has provided testimony on behalf of any entity owned by Utilities, Inc.