



Steven L. Beshear
Governor

Mark David Goss
Chairman

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd
P O: Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

Larry R. Bond
Commissioner
Department of Public Protection

February 26, 2008

John Clark
Madison County Utility District
P. O. Box 670
297 Michelle Drive
Richmond, KY 40476-0670

RE: Case No 2008-00064
Filing Deficiencies

The Commission staff has reviewed your application in the above case. This filing is rejected for the reasons set forth below.

1. Filing deficiencies pursuant to 807 KAR 5:011:

807 KAR 5:011: Section 10(1)(a) - Cost justification for each rate change proposed.

807 KAR 5:011: Section 10(1)(a) - Full description of the equipment item(s) or the service(s) for which the rate change is proposed.

807 KAR 5:011: Section 10(1)(b) Statement by utility confirming that copy of filing was simultaneously sent to the Attorney General (Attorney General has 10 days to notify PSC if he requests a hearing.)

807 KAR 5:011: Section 10(1)(c) Statement explaining why proposed changes could not have been included in last rate case and why current conditions prevent deferring change until next rate case.

807 KAR 5:011: Section 10(1)(d) Impact statement identifying group of customers (both existing and potential) affected by proposed change.

807 KAR 5:011: Section 10(1)(e) Income statement and balance sheet for a recent 12-month period.

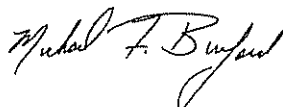
807 KAR 5:011: Section 10(2) If the additional revenue to be generated from the proposed tariff revisions exceeds by five (5) percent the total revenues provided by all miscellaneous and non-recurring charges for a recent twelve (12) month period, the utility must file, in addition to the information set out in subsection (1)(a) of this section, the following: An absorption test showing that the additional net income generated by the tariff filing will not result in an increase in the rate of return (or other applicable valuation methods) to a level greater than that allowed in the most recent rate case. Any general rate increases received during the twelve (12) month period must be annualized. Any significant cost changes may be included but must be documented as part of the filing.

807 KAR 5:011: Section 8, 9(2) Is copy of public notice included?

MB/MB

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiencies voids that proposed effective date. When you file the required information to correct the deficiencies, you may refile your proposed tariff with a new proposed effective date that is at least 30 days from the date you file the required information. You are requested to file 10 copies of this information within 15 days of date of this letter. If you need further assistance, please contact Sam Reid at 502/564-3940 ext. 250.

Sincerely,



Mike Burford
Director Division of Filings

MB/MB