

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HARDIN COUNTY            )  
WATER DISTRICT NO. 1 FOR AUTHORITY        ) CASE NO. 2006-00410  
TO ADJUST RATES                                    )

COMMISSION STAFF'S FIRST INFORMATION REQUEST  
TO HARDIN COUNTY WATER DISTRICT NO. 1

Hardin County Water District No. 1 ("Hardin District") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 15 days from the date Hardin District tenders its application for rate adjustment. Each copy of the data requested should 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. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Provide a complete copy of the workpapers, calculations, and assumptions Hardin District used to develop its pro forma test-period financial information.

2. List all business activities of Hardin 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 ("CWIP"). 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 Hardin 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 Hardin 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 30 of Hardin District's 2004 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 Hardin 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 expenses and capitalized.
- (9) Type of employee benefits (i.e., health insurance, dental

insurance, vision insurance, pension, etc.) and amounts paid for each by Hardin 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 rate(s) that were effective during calendar years 2003, 2004, and 2005, including the date the rate became effective.

9. Provide a detailed list of all fringe benefits available to Hardin District employees and the actual test-period cost of each benefit and the pro forma cost. Provide comparative cost information for calendar years 2003, 2004, and 2005. 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).

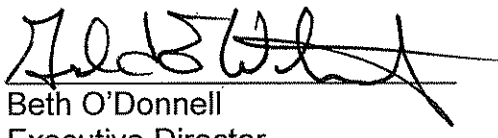
11. For each debt of Hardin District currently outstanding or outstanding during the test year, provide:

a. A copy of the ordinance or resolution authorizing the issuance of the loan or bonds.

b. 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.

c. A description of the use of the borrowed funds.

d. Which debts were incurred either entirely or partially to finance sub-district operations and retired with sub-district surcharge revenue.

*for:* 

Beth O'Donnell  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Dated: October 11, 2006

cc: Parties of Record