

COMMONWEALTH OF KENTUCKY

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BEFORE THE PUBLIC SERVICE COMMISSION

DEC 30 2008

PUBLIC SERVICE COMMISSION

In the Matter of:

Alleged Failure of the City of Danville)
 To Comply with KRS 278.160 and 278.180) CASE NO. 2008-00176
 And the Commission's Order of August 10, 1994)
 In Administrative Case No. 351

Initial Data Request of Parksville Water District

Parksville Water District, by counsel, pursuant to the Commission's Order of December 19, 2008 submits the following questions to Danville.

1. Simpson County Water District v. City of Franklin, 872 S.W.2d 460 (Ky. 1994), states that "where contracts have been executed between a utility and a city . . . KRS 278.200 is applicable and requires that by so contracting the city relinquishes the exemption and is rendered subject to . . . [Commission] rates and service regulation."

Does Danville agree that it is subject to PSC regulation of its wholesale water contracts among Parksville, Lake Village Water Association and Garrard County water Association? If no, explain.

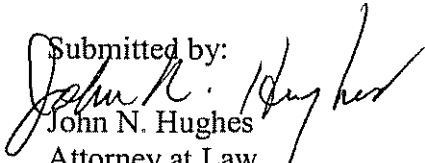
2. In its response in this proceeding dated July 17, 2008, paragraph 6, Danville denies that it has violated (or failed to comply with) applicable Kentucky statutes or regulations or the 8/11/94 Order in Administrative Case No. 351 - and states that it is unclear how any of the actions or omissions alleged (or reported as alleged) in the 5/22/08 Order would constitute a violation of applicable Kentucky statutes or regulation's or of the 8/11/94 Order.

Explain each action Danville has taken in increasing its wholesale rates to Parksville that support its denial of a violation of PSC regulations of Administrative Case 351.

3. Has Danville located any document that provides Parksville with notice of any of the rate adjustments that are the subject of this proceeding? If so, provide.

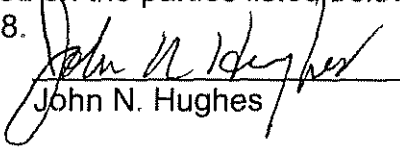
4. Has Danville located any document that provides the PSC with notice of a wholesale water adjustment to Parksville? If so, provide.

5. Has Danville located any document that revises its wholesale tariff with the PSC since 2005? If so, provide.
6. Has Danville completed a records search for the documents referred to in items 3, 4, and 5? If no, explain what remains to be searched and the expected time for the search to be completed.
7. If Danville has no documents to support the giving of notice of a wholesale water increase to Parksville or a tariff filing with the PSC for such an adjustment, what facts will Danville rely on to support its argument that it has not violated PSC regulations applicable to wholesale water adjustments.
8. At the time of each of the adjustments of the wholesale water rate by Danville to Parksville, who was responsible for the approval of the increases and for the implementation of the rate increases?
9. Explain how each wholesale water rate increase was implemented, the persons responsible for each aspect of the implementation of the rate increases and the procedures followed in increasing the rate. Provide any written procedures, instructions or other documentation related to the implementation of the wholesale water rate increases.
10. Provide the names, job titles and job descriptions of each person involved in the authorization, approval, implementation and billing of each of the wholesale water adjustments under review in this case.
11. Provide all resolutions, ordinances or other correspondence between the Danville utility department and the Danville city commission related to the approval, authorization or implementation of the wholesale water rate adjustments subject of this case.
12. Have any responses by Danville to Parkville's data requests in Case No. 2007-00405 changed? If yes, explain.
13. Does Danville dispute Parkville's calculation of the overcharges in the wholesale billing rate attached? If yes, provide the corrections to Parkville's calculations.

Submitted by:

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Certificate:

I certify that a copy of this pleading was served on the parties listed below by first class mail the 30th day of December, 2008.


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Purchased Water Cost Comparison
August 2005 through November 2008

Calculated on Current Rates

Actual Charged Amount

Month	Calculated on Current Rates				Actual Charged Amount				Difference	
	Cubic Feet	Water Amount	20% Surcharge	Kentucky River Authority	Water Amount	20% Surcharge	Kentucky River Authority	Total		
Aug-05	1,099,440	10,800.90	2,160.18	234.18	13,195.26	11,153.20	2,230.49	234.18	13,617.87	422.61
Sep-05	1,099,440	10,800.90	2,160.18	234.18	13,195.26	11,153.20	2,230.49	234.18	13,617.87	422.61
Oct-05	1,099,440	10,800.90	2,160.18	234.18	13,195.26	11,153.20	2,230.49	234.18	13,617.87	422.61
Nov-05	317,580	3,594.77	718.95	67.64	4,381.36	3,711.93	742.40	67.64	4,521.97	140.61
Dec-05	1,259,600	12,258.36	2,451.67	268.29	14,978.32	12,658.22	2,531.43	268.29	15,457.94	479.62
Jan-06	1,349,900	13,080.09	2,616.02	287.53	15,983.64	13,506.77	2,701.10	287.53	16,495.40	511.76
Feb-06	1,147,700	11,240.07	2,248.01	244.46	13,732.54	11,606.70	2,321.17	244.46	14,172.33	439.79
Mar-06	806,100	8,131.51	1,626.30	171.70	9,929.51	8,396.68	1,679.30	171.70	10,247.68	318.17
Apr-06	1,256,300	12,228.33	2,445.67	267.59	14,941.59	12,627.21	2,525.23	267.59	15,420.03	478.44
May-06	896,400	8,953.24	1,790.65	19.72	10,763.61	9,245.23	1,848.98	19.72	11,113.93	350.32
Jun-06										
Jul-06										
Aug-06	3,117,740	29,167.43	5,833.49	514.43	35,515.35	31,138.60	6,227.67	514.43	37,880.70	2,365.35
Sep-06	1,172,640	11,467.02	2,293.40	193.49	13,953.91	12,241.96	2,448.34	193.49	14,883.79	929.88
Oct-06	1,190,950	11,633.65	2,326.73	196.51	14,156.89	12,419.84	2,483.92	196.51	15,100.27	943.38
Nov-06	1,269,400	12,347.54	2,469.51	209.45	15,026.50	13,181.98	2,636.34	209.45	16,027.77	1,001.27
Dec-06	1,330,970	12,907.83	2,581.57	219.61	15,709.01	14,082.02	2,816.34	219.61	17,117.97	1,408.96
Jan-07	1,289,770	12,532.91	2,506.58	212.81	15,252.30	13,671.89	2,734.31	212.81	16,619.01	1,366.71
Feb-07	1,425,160	13,764.96	2,752.99	235.15	16,753.10	15,000.31	2,999.99	235.15	18,235.45	1,482.35
Mar-07	1,327,480	12,876.07	2,575.21	219.03	15,670.31	14,044.40	2,808.82	219.03	17,072.25	1,401.94
Apr-07	1,095,100	10,761.41	2,152.28	180.69	13,094.38	11,752.16	2,350.37	180.69	14,283.22	1,188.84
May-07	1,360,110	13,173.00	2,634.60	224.42	16,032.02	14,382.21	2,876.38	224.42	17,483.01	1,450.99
Jun-07	1,442,960	13,926.94	2,785.39	238.09	16,950.42	15,164.31	3,032.80	238.09	18,435.20	1,484.78
Jul-07	1,273,430	12,384.21	2,476.84	210.12	15,071.17	13,860.59	2,771.90	210.12	16,842.61	1,771.44
Aug-07	1,173,330	11,473.30	2,294.66	193.60	13,961.56	12,862.52	2,572.30	193.60	15,628.42	1,666.86
Sep-07	1,584,870	15,218.32	3,043.66	261.50	18,523.48	17,000.73	3,399.87	261.50	20,662.10	2,138.62
Oct-07	1,278,950	12,434.45	2,486.89	211.03	15,132.37	13,915.22	2,782.82	211.03	16,909.07	1,776.70
Nov-07	1,169,310	11,436.72	2,287.34	192.94	13,917.00	12,815.60	2,562.93	192.94	15,571.47	1,654.47
Dec-07	1,249,290	12,164.54	2,432.91	206.13	14,803.58	13,624.64	2,724.72	206.13	16,555.49	1,751.91
Jan-08	1,455,450	14,040.60	2,808.12	240.15	17,088.86	15,704.57	3,140.66	240.15	19,085.38	1,996.52
Feb-08	1,456,740	14,052.33	2,810.47	240.36	17,103.16	15,715.45	3,142.83	240.36	19,098.64	1,995.48
Mar-08	933,190	9,288.03	1,857.61	153.98	11,299.61	10,437.28	2,087.32	153.98	12,678.58	1,378.97
Apr-08	1,164,190	11,390.13	2,278.03	0	13,668.15	12,760.15	2,551.84	0.00	15,311.99	1,643.84
May-08	1,312,640	12,741.02	2,548.20	216.59	15,505.82	14,263.93	2,852.56	216.59	17,333.08	1,827.26
Jun-08	1,353,170	13,109.85	2,621.97	223.27	15,955.09	13,392.64	2,678.53	223.27	16,294.44	339.35
Refund	05/08 bill								-1,294.93	
Jul-08	1,327,670	12,877.80	2,575.56	219.07	15,672.43	13,161.03	2,632.21	219.07	16,012.31	339.88
Aug-08	1,473,290	14,202.94	2,840.59	243.09	17,286.62	14,202.94	2,840.59	243.09	17,286.62	0.00
Sep-08	1,362,240	13,192.38	2,638.48	224.77	16,055.63	13,192.38	2,638.48	224.77	16,055.63	0.00
Oct-08	1,279,560	12,440.00	2,488.00	211.13	15,139.13	12,440.00	2,488.00	211.13	15,139.13	0.00
Nov-08	1,317,580	12,785.98	2,557.20	217.40	15,560.58	12,785.98	2,557.20	217.40	15,560.58	0.00
					574,154.78				612,152.14	37,997.36
									Difference	37,997.36