

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

**In the Matter of:**

**PROPOSED ADJUSTMENT OF THE WHOLESALE )  
WATER SERVICE RATES OF THE FRANKFORT ) CASE NO. 2008-00250  
ELECTRIC AND WATER PLANT BOARD )**

**First Set of Interrogatories and Requests for Production of Documents on Behalf of  
Peaks Mill and Elkhorn Water Districts**

Comes the Peaks Mill Water District ("Peaks Mill") and the Elkhorn Water District ("Elkhorn"), by counsel, and hereby tenders the following requests for information and documents to the applicant, Frankfort Electric and Water Plant Board.

1. Please describe where in the study or documents filed with the Public Service Commission is the information or description(s) regarding the allocations used to determine the wholesale rate to be charged to the water districts?
2. Please explain how the maximum day of .1825 determined for the wholesale customers.
3. Please explain how the maximum day extra capacity factors were determined?
4. Are the master meters read daily for the wholesale customers? If not, how was the average daily consumption determined?
5. How was the weighted factor of .1516 determined for average day?
6. How was the weighted factor of .4125 determined for average day?
7. Provide details and calculations as to how the average hourly consumption and the

maximum hour were determined.

8. In determining average hour consumption for wholesale customers, did you recognize that districts have their own water storage facilities? Please explain how district ownership of storage facilities was considered. If not considered, please explain.

9. How was potential demand for wholesale customers determined and calculated?

10. Explain how the average hour of 24.8 was determined.

11. Why and how were fire expenses allocated to the wholesale customers?

12. Were lines under 10 inches in diameter included in the allocation of costs to the districts? If so, how many miles of line less than 10 inches in diameter transmit water to wholesale customers?

13. How many miles of line 10 inches in diameter or larger are used to transmit water to wholesale customers? If water to the city of Georgetown is included in the calculation, advise as to how many miles are attributed to or the result of the service to Georgetown.

14. How was the relative meter cost or meters per size determined?

15. How many meters and size of meters are used in providing service to the wholesale customers? Are the master meters located at the point of delivery?

16. How was the factor of .0585 determined as the factor for allocating water production, operation and maintenance to wholesale? How was the .1301 determined as the factor for the non production category?

17. Provide a detailed breakdown of expenses, including labor, related to water production and non-production.

18. How were regulatory commission expense and assessments allocated? Provide a

breakdown of these expenses. If previously provided, please indicate where located.

19. In regards to water plant in service, please provide an explanation as to how each item benefits the wholesale customers. For example why was \$52,661 in office expense allocated to resale? Is there another category to which it could have been allocated or included?

20. How was fire protection allocated to the wholesale customers?

21. Please provide an explanation as to why fire protection expense is allocated to the districts.

22. If expense for the Plant Board's clubhouse has been allocated to the districts, please explain why this is a district expense.

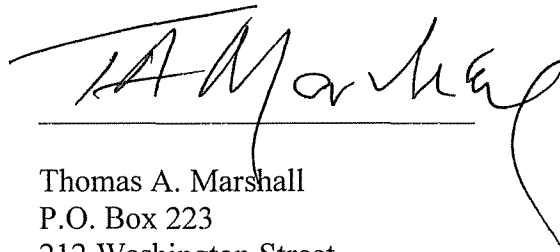
23. If any portion of debt service on bonds is allocated to the districts, please explain why and specify the expense or improvement that is paid for by bond proceeds.

24. If the districts provide their own water pressure from the point at which the districts take delivery of water by the applicant, Frankfort Plant Board, does the applicant believe that a fire protection related expense should be allocated to the districts?

Peaks Mill and Elkhorn take this opportunity to renew their request that the Commission carefully review the elements of the cost of service study or other justification that is provided in support of the wholesale rates, and that the Commission

consider any other issue or matter related to the wholesale rates that would assist in determining their reasonableness.

Respectfully submitted,



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Counsel for Peaks Mill Water District  
and Elkhorn Water District

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been sent by first-class mail, postage prepaid, on this date, September 5, 2008, to the following:

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