

SMITH, GREENBERG & LEIGHTTY PLLC
ATTORNEYS

RICHARD A. GREENBERG
rgreenberg@sglfirm.com

RECEIVED

APR 14 2010

PUBLIC SERVICE
COMMISSION

April 14, 2010

Hand Delivered

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, KY 40602

Re: Middletown Waste Disposal, Inc. Rate Case No. 2009-00227

Dear Sir or Madam:

Please be advised that I represent Middletown Waste Disposal, Inc. ("MWD"). MWD is in receipt of the PSC Staff Report issued on April 1, 2010 concerning the rate case referenced above. MWD disagrees and objects to many of the staff's findings and recommendations set forth in the Staff Report.

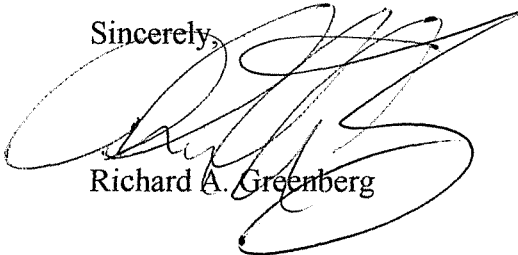
The following provides additional information and documentation to further support MWD's expenses for which sufficient revenues are required to prevent losses and allow the operations to cash flow.

- **Insurance:** Aaron Goad, insurance agent for MWD, sent an April 1, 2010 email addressing total insurance calculation. A copy of said email is enclosed as exhibit "A". Mr. Goad informed MWD that the formula used to calculate insurance cost is (Gross Revenue X 40.511 per thousand dollars = premium) plus (premium X 3% = surplus lines) plus (premium X 5.75% = municipal tax) plus (premium X 1.5% = KY surcharge) plus (building & equipment policy normally costs 563.00). Therefore, using the recommended revenue set forth in the Staff report (\$152,458) insurance costs for general liability coverage and building and equipment coverage are \$7372.34.
- **Rate Case Costs:** Rate case costs have increased significantly due to the amount of work and expenses incurred through this over 10 month process. Attorneys fees, in addition to those previously submitted to the PSC, are in the amount of \$2363.77. A copy of invoices supporting said fees for legal services rendered in February and March 2010 are attached as exhibit "B". Also, more attorney fees have been incurred in addressing this matter in the month of April 2010 and in preparation and participation for the Informal Conference. It is estimated that April 2010 attorney fees (not including fees in preparation for and participation in the scheduled hearing) will be \$5850.00.

Furthermore, a request for hearing was granted. Therefore, MWD was required to publish notice of the hearing which cost \$330.16. A copy of an email from the Courier-Journal addressing the cost of publication is enclosed as exhibit "C".

- **Projects:** There are approximately \$111,500 worth of projects that must be performed in order to appropriately maintain plant operations. The money must be received from additional revenue. A copy of estimates for the projects is enclosed as exhibit "D".

This correspondence incorporates by reference MWD's Request for Hearing filed in this rate case. The information and documents provided herein were prepared in the short time frame that was allotted by the PSC. MWD, therefore, reserves the right to amend and/or provide additional information and documentation in support of its request for rate increase.

Sincerely,

Richard A. Greenberg

Cc: David Edward Spenard, Esq., Assistant Attorney General, w/encls
J.R. Goff, Esq., Attorney for PSC, w/encls

Enclosures

EXHIBIT “A”

Rick Greenberg

From: Aaron Goad [AaronGoad@voitlee.com]
Sent: Wednesday, April 07, 2010 9:59 AM
To: rgreenberg@sglfirm.com
Subject: FW: Middletown Waste Disposal Inc

From: Aaron Goad [mailto:AaronGoad@voitlee.com]
Sent: Monday, April 05, 2010 11:51 AM
To: 'rgreenburg@sglfirm.com'
Subject: FW: Middletown Waste Disposal Inc

I have been ask to relay this information to you per Samatha Fuller at Middletown Waste. Rick please call me with any questions.

From: Aaron Goad [mailto:AaronGoad@voitlee.com]
Sent: Thursday, April 01, 2010 4:21 PM
To: 'jwkaninberg@insightbb.com'
Subject: Middletown Waste Disposal Inc

Jack I have listed by policy year the premiums, rate, projected sales estimate, for the general liability. I will list the building and equipment policy premiums after that.

Policy yr 7/1/2009 thru 6/30/2010 premium \$5,677.88, rate 40.511 per thousand, projected sales \$122,693 audit not completed yet.

Policy yr 7/1/08 thru 6/30/2009 premium \$5,677.88, rate 40.511, projected sales \$123,000, flat audit (no additional charges)

Policy yr 7/1/07 thru 6/30/2008 premium \$5,677.88 rate 40.511, projected sales \$123,000, audited sales \$158,505 (additional premium \$1,566.66)

Policy yr 7/1/06 thru 6/30/2007 premium \$5,677.88 rate 40.511, projected sales \$123,000, audited sales \$160,387 (additional premium \$1,650.45)

These premiums would have included a 3% surplus lines tax, 5.75% municipal tax, 1.5% KY surcharge tax

Building and equipment policy

7/1/09 thru 6/30/10 \$\$562.61

7/1/08 thru 6/30/09 \$562.83

7/1/07 thru 6/30/08 \$564.35

7/1/06 thru 6/30/07 \$566.46

This will get us started, please look these over and let me know what questions you have. Also note that any additional audit premium would have been billed in the proceeding policy year.

Thanks,

Aaron Goad

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.437 / Virus Database: 271.1.1/2796 - Release Date: 04/07/10 06:32:00

4/7/2010

EXHIBIT “B”

Smith, Greenberg & Leightty, PLLC
 2321 Lime Kiln Lane, Suite C
 Louisville, KY 40222-3410

Invoice

DATE	INVOICE #
3/2/2010	6229

Phone #	Fax #
502-426-1058	502-426-6337

Bill To
Middletown Waste Disposal Paul Lichtefeld, Sr. 908 S. 8th St., Suite 102 Louisville, KY 40203

REP	MATTER
RAG	

DATE	DESCRIPTION	ATTY.	AMOUNT
2/4/2010	Document review; Conference with Paul Barker of Beckmar Labs re: added cost of compliance; Preparation of correspondence to PSC re: attorney fees for use in rate increase request;	RAG	117.00
2/5/2010	Receipt and review of correspondence from Beckmar Labs re: added cost of testing; Finalization of correspondence to PSC re: attorney fees for rate increase request; Preparation of correspondence to Jack Kaninberg re: additional cost of testing and attorney fees;	RAG	156.00
2/8/2010	Conference with Jack Kaninberg re: calculations; Receipt and review of correspondence from Jack Kaninberg re: recoverable cost; Conference with Jack Kaninberg re: PSC communication; Preparation of correspondence to PSC re: supplemental information;	RAG	97.50
2/11/2010	Conference with Jack Kaninberg re: informal conference; Receipt and review of Staff Notice of Informal Conference; Document review; Preparation of correspondence to Paul Lichtefeld and Don Lorenz;	RAG	156.00
2/15/2010	Receipt and review of various correspondence and attachments from Jack Kaninberg re: PSC meeting; Conference with Jack Kaninberg re: matter development; Document review;	RAG	97.50
2/16/2010	Receipt and review of correspondence and document from Jack Kaninberg re: Amended Revenue Requirement;	RAG	19.50
2/17/2010	Preparation for PSC meeting; Travel to and from meeting with PSC; Attended meeting with PSC;	RAG	780.00

FEIN 61-1379954

Balance Due

Smith, Greenberg & Leightty, PLLC
 2321 Lime Kiln Lane, Suite C
 Louisville, KY 40222-3410

Invoice

DATE	INVOICE #
3/2/2010	6229

Phone #	Fax #
502-426-1058	502-426-6337

Bill To
Middletown Waste Disposal Paul Lichtefeld, Sr. 908 S. 8th St., Suite 102 Louisville, KY 40203

REP	MATTER
RAG	

DATE	DESCRIPTION	ATTY.	AMOUNT
2/18/2010	Receipt and review of correspondence from J.R. Goff re: surcharge; Reviewed surcharge PSC opinion; Prepared correspondence and supplemental information to PSC re: support documents for costs and fees; Conference with J.R. Goff re: further requested information; Preparation of correspondence to Paul Lichtefeld and Don Lorenz re: PSC new request; Conference with Samantha re: further procedure; Receipt and review of correspondence from Jack Kaninberg re: proposed rate increase;	RAG	195.00
2/19/2010	Receipt and review of correspondence from Jack Kaninberg re: prior response; Document review; Preparation of correspondence to Jack Kaninberg re: response;	RAG	39.00
2/22/2010	Receipt and review of correspondence and documents from Bill Bardenwerper re: Middletown recapture agreement; Preparation of correspondence to Don Lorenz and Paul Lichtefeld re: Middletown recapture plan;	RAG	117.00
2/24/2010	Receipt and review of correspondence from Jack Kaninberg re: 3rd Data Request; Preparation of correspondence to Don Lorenz, Paul Lichtefeld and Jack Kaninberg re: 3rd Data Request; Document review; Receipt and review of correspondence from Jack Kaninberg re: response to data request;	RAG	78.00
2/26/2010	Receipt and review of correspondence and documents from Don Lorenz re: water usage; Two conferences with Jack Kaninberg re: response to 3rd Data Request; Receipt and review of correspondence and documents from Jack Kaninberg re: response to 3rd Data Request; Response preparation;	RAG	273.00
		postage	2.00

FEIN 61-1379954

Balance Due	\$2,127.50
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Smith, Greenberg & Leightty, PLLC
 2321 Lime Kiln Lane, Suite C
 Louisville, KY 40222-3410

Invoice

DATE	INVOICE #
4/6/2010	6317

Phone #	Fax #
502-426-1058	502-426-6337

Bill To
Middletown Waste Disposal Paul Lichtefeld, Sr. 908 S. 8th St., Suite 102 Louisville, KY 40203

REP	MATTER
RAG	

DATE	DESCRIPTION	ATTY.	AMOUNT
3/1/2010	Receipt and review of various correspondence from Jack Kaninberg re: third data request response; Meeting with Jack Kaninberg re: response; Preparation of correspondence to PSC re: response to third information request;	RAG	292.50
3/15/2010	Receipt and review of various correspondence from Jack Kaninberg re: PSC interest in residential flow; Receipt and review of correspondence and accompanying documents and data to PSC re: residential flow; Receipt and review of correspondence from PSC re: information request; Document review;	RAG	97.50
3/16/2010	Receipt and review of correspondence from Jack Kaninberg re: PSC;	RAG	19.50
3/29/2010	Receipt and review of correspondence from Jack Kaninberg re: PSC report status;	RAG	19.50
		postage	7.27

FEIN 61-1379954

Balance Due	\$436.27
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EXHIBIT “C”

Rick Greenberg

From: Manning, Christine [cmanning@louisvil.gannett.com]
Sent: Monday, April 12, 2010 1:18 PM
To: Rick Greenberg
Subject: FW: A Proof Is Attached

Attachments: 20148204.pdf



20148204.pdf (19
KB)

Attached is a proof of the legal advertisement. If there are any changes including cancellation, please call before 4 p.m. the day before publication. (Monday-Friday only)

Publication Date: 14 APR 10 Price: \$330.16

Thank you,

Christine Manning
Special Services - Legal Advertising
Courier-Journal, 525 West Broadway
Louisville, KY 40201-7431
502-582-4731 direct line
502-582-4634 fax
legals@courier-journal.com

-----Original Message-----

From: C-J-PDF-Proof@lcj-cciweb1.us.ad.gannett.com [mailto:C-J-PDF-Proof@lcj-cciweb1.us.ad.gannett.com]
Sent: Monday, April 12, 2010 1:13 PM
To: obits@courier-journal.com
Subject: A Proof Is Attached

This is an automated solution.

No virus found in this incoming message.

Checked by AVG - www.avg.com

Version: 8.5.437 / Virus Database: 271.1.1/2804 - Release Date: 04/12/10 06:32:00

**NOTICE TO THE
CUSTOMERS OF
MIDDLETOWN
WASTE DISPOS-
AL, INC.**

Middletown Waste Disposal, Inc. tendered for filing with the Public Service Commission ("PSC") an application for alternative rate filing ("ARF") in Case No. 2009-00227, wherein it proposes to adjust its rates.

The PSC will hold a public hearing in this matter on April 21, 2010 beginning at 9:30 a.m., Eastern Daylight Time, in the PSC's offices at 211 Sower Boulevard, Frankfort, Kentucky. The hearing is open to the public and members of the public will be permitted to make comments on the proposed rate adjustment.

EXHIBIT “D”

S ANDERS S ALES & S ERVICE

7109 LORENZO LN.
LOUISVILLE, KY 40228
502-231-2829 FAX: 502-231-2659

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
DON LORENZ	JOSEPH L. SANDERS
COMPANY:	DATE:
MIDDLETOWN WASTE DISPOSAL	April 13, 2010
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
477-2322	
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
423-7361	
RE:	YOUR REFERENCE NUMBER:
FUTURE SYSTEM REPAIRS	

NOTES/COMMENTS:

DON,

PER OUR CONVERSATION WE ARE PLEASED TO QUOTE THE FOLLOWING REPAIR ESTIMATES:

NEW DUPLEX CONTROL PANEL AT MAIN LIFT STATION	
LABOR & MATERIAL	\$ 8,500.00
NEW POST AERATION BLOWERS	
LABOR & MATERIAL	\$ 8,500.00
NEW SURGE TANK BLOWERS	
LABOR & MATERIAL	\$ 8,000.00
NEW SUBMERSIBLE LAGOON AERATORS	
LABOR & MATERIAL	\$ 7,500.00
NEW AERATION TANK BLOWER	
LABOR & MATERIAL	\$ 5,500.00
NEW SURGE TANK SUBMERSIBLE PUMP	
LABOR & MATERIAL	\$ 5,500.00

NEW CHLORINE & SULFUR DIOXIDE FEEDERS
LABOR & MATERIAL \$ 3,000.00

SANDBLASTING & COAL TAR EPOXY COATING OF TREATMENT PLANT
LABOR & MATERIAL \$ 25,000.00

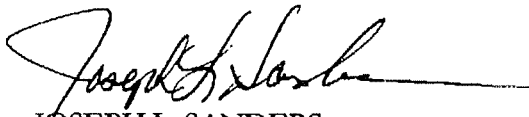
NEW REMOTE LIFT STATION REPAIRS
LABOR & MATERIAL \$ 15,000.00

NEW MAIN LIFT STATION PUMP
LABOR & MATERIAL \$ 15,000.00

NEW LAGOON BLOWERS, MOTORS & RELATED EQUIPMENT
LABOR & MATERIAL \$ 10,000.00

IF YOU HAVE ANY QUESTIONS PLEASE FEEL FREE TO CALL.

SINCERELY,



JOSEPH L. SANDERS