

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MUHLENBERG COUNTY)	
WATER DISTRICT FOR A GENERAL RATE)	CASE NO. 99-512
ADJUSTMENT PURSUANT TO THE PROVISIONS OF)	
KRS 278.030 AND 807 KAR 5:001)	

COMMISSION STAFF'S SECOND SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS
TO MUHLENBERG COUNTY WATER DISTRICT

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Muhlenberg County Water District ("Muhlenberg District") shall file the original and 8 copies of the following information with the Commission no later than September 1, 2000, with a copy to all parties of record. Each copy of the information requested shall 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 shall be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Provide a schedule that shows Muhlenberg District's operating expenses by component for each year from 1995 through 1999. This schedule should use the components that are listed in Exhibit 14 of Muhlenberg District's Application.

2. Provide documentary evidence that the Muhlenberg County Judge/Executive has approved Muhlenberg District's employment of Damon R. Talley as legal counsel for this administrative proceeding.

3. Refer to Muhlenberg District's Response to Commission Staff's First Set of Interrogatories and Requests for Information, Items 6 and 8. Muhlenberg County Fiscal Court has established \$3,600 as the level of annual compensation for Muhlenberg District's commissioners. When the cost of water service provided to Muhlenberg District's commissioners is considered, total compensation exceeds \$3,600. How is this level of compensation, which is in excess of \$3,600, consistent with KRS 74.020(5)?

4. Refer to Muhlenberg District's Application, Exhibit 14 at 2. As Muhlenberg District's last application for rate adjustment was filed in 1986, explain why Muhlenberg District's rate case expense should be amortized over 3 years instead of a longer period.

5. a. Provide all studies, analyses, and reports that Muhlenberg District has conducted or commissioned regarding the construction of additional water distribution or treatment facilities.

b. For each study provided, state the name and position of the preparer.

6. a. Does Muhlenberg District expect to engage in any major construction project within the next 5 years? For purposes of this interrogatory, "major construction project" is a projection that requires the issuance of long-term indebtedness or represents 10 percent or more of Muhlenberg District's net utility plant.

b. If yes, describe each of these projects.

7. Provide all studies, analyses, and reports that Muhlenberg District has conducted or commissioned that contain projections of Muhlenberg District's future operating expenses.

8. Identify the persons who researched and prepared Muhlenberg District's automatic adjustment mechanism.

9. Identify the publications, reference materials, and other sources that Muhlenberg District consulted in developing its automatic adjustment mechanism.

10. Refer to Muhlenberg District's Response to Commission Staff's First Set of Interrogatories and Requests for Information, Item 29.

a. Has Muhlenberg District prepared a tariff sheet for the proposed automatic adjustment mechanism?

b. If no, state when Muhlenberg District expects to complete the preparation of such tariff sheet.

11. a. Identify the state utility regulatory commissions that have authorized an automatic adjustment mechanism based upon the Consumer Price Index for Urban Wage Earners and Clerical Workers ("CPI-W") for a water utility.

b. For each state utility regulatory commission identified above, provide a copy of that commission's order or opinion authorizing such mechanism. If the order or opinion is published in Public Utilities Reports, a citation to this order may be provide instead.

12. Is it Muhlenberg District's position that the CPI-W is more accurate and more reflective of changes in the cost of producing water than the Gross Domestic Product Implicit Price Deflator ("GDP-IPD") Index? Explain.

13. Refer to Interrogatory no. 14, note 2. For each of the following, provide the method by which each was paid, including but not limited to cash payment or secured financing.

a. Describe the need and basis for an increase of \$15,158 for office furniture.

b. Describe the need and basis for an increase in value of vehicles of \$100,460.

c. Provide a description of every building construction or improvement that resulted in the increase of \$49,472

14. Please explain the increases in the following expenses:

a. Administrative and General

b. Transmission and Distribution

c. Source of Supply

15. Please refer to your response to Interrogatory no. 14, Note 5, pg. 15. List the lawsuits pending against the District, include description of legal issue and amount at issue

16. Please refer to your response to Interrogatory no. 16. Explain why you have not prepared a cost-of-service study in relation to this application.

17. Please refer to the documents attached in your response to Interrogatory no. 34. Explain why the District voted to withdraw the following amounts from

certificates of deposit at the corresponding Board of Commissioners' meetings and the purpose for that withdrawal.

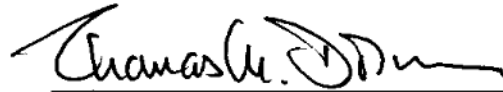
- a. \$100,000 at December 28, 1998 meeting.
- b. \$90,000 at March 22, 1999 meeting.
- c. \$120,000 at July 26, 1999 meeting.

18. Please refer to your response to Interrogatory no. 2 and provide the following:

- a. A list of job duties for each current employee.
- b. A schedule that sets forth the overtime hours worked by each employee from January 1, 2000 through July 31, 2000.
- c. Are the overtime hours worked during 1999 representative of the amount of overtime your employees work during a normal year?
- d. At what pay rate are employees who are "on call" compensated for "on call" duty.

19. Provide your justification for paying the superintendent, assistant superintendent and office manager \$50.00 for their appearance at a Board of Commissioners meeting.

20. Please refer to your response to Interrogatory no. 5b. Provide further explanation and justification for providing family health coverage at no cost to some employees when employees carrying only single coverage are not equally compensated for health coverage.



Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

DATED: August 18, 2000

cc: Parties of Record