

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE MADISON COUNTY	)	
UTILITIES DISTRICT FOR A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY TO	)	CASE NO.
CONSTRUCT A WATER STORAGE TANK AND	)	2008-00182
A GENERAL RATE INCREASE TO FINANCE	)	
WATER STORAGE TANK	)	

COMMISSION STAFF'S FIRST INFORMATION REQUEST  
TO MADISON COUNTY UTILITIES DISTRICT

Madison County Utilities District ("Madison District"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 15, 2008. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Madison District shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct

when made, is now incorrect in any material respect. For any request to which Madison District fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Provide all ordinances and resolutions of the Madison County Fiscal Court that address the current level of compensation for members of Madison District's Board of Commissioners.

2. For each attorney that Madison District employed in calendar year 2007 or currently employs, provide written evidence that the Madison County Judge/Executive has approved his or her employment and the payment of his or her compensation from water district funds.

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

4. List all business activities of Madison 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.

5. Provide a schedule listing each project included in calendar year 2007 (“test period”) construction work in progress. Include a detailed description of each project included in the schedule.

6. Provide the 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 Madison District. All accounts should show activity for 12 months. Show the balance in each control and all underlying subaccounts per company books.

7. For each cash account used by Madison District during the test period, provide a cash disbursements ledger that lists all checks in chronological order and details the date paid, check number, vendor, and amount.

8. Reconcile the test period general ledger expense accounts to the expense amounts reported on page 30 of Madison District’s 2007 annual report.

9. Provide a copy of all audit adjustments made for the calendar year 2007 financial statements.

10. 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 Madison 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 Madison District.

b. Provide a copy of the employee information requested in 10(a) on a computer disk in Microsoft® Office Excel format.

c. Provide the employer retirement contribution rates that were effective during calendar years 2005, 2006, and 2007, including the date the rate became effective.

d. Provide the notification Madison District received from the Kentucky Retirement System of the employer contribution rate that will be effective for the fiscal year July 1, 2008 through June 30, 2009.

11. Provide a detailed list of all fringe benefits available to Madison District employees and the actual test period cost of each benefit compared to the costs incurred in 2008. Provide comparative cost information for calendar years 2006, 2007, and 2008. Indicate which fringe benefits, if any, are limited to management or full-time employees. Explain any changes in fringe benefits occurring over this period.

12. Provide the most recent vendor invoice for health insurance. The invoice shall list employees individually by name and state clearly the type of coverage provided.

13. 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.

14. For each debt of Madison District currently outstanding or outstanding during the test year, or proposed debt,

a. Provide the bond ordinance or resolution authorizing each bond issuance or long-term loan.

b. Provide 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. Provide a description of the use of the borrowed funds.



Stephanie Stumbo  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED: July 29, 2008

cc: Parties of Record