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Energy and Environment Cabinet



Commonwealth of Kentucky  
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Chairman

James W. Gardner  
Vice Chairman

Charles R. Borders  
Commissioner

December 28, 2009

Mr. James Simpson  
Henry County Water District No. 2  
P. O. Box 219  
Campbellsburg, Kentucky 40011

Mr. Merle Brewer  
Henry County Water District No. 2  
P. O. Box 219  
Campbellsburg, Kentucky 40011

D. Berry Baxter, Esq.  
117 West Main Street  
La Grange, Kentucky 40031

Re: Case No. 2009-00370  
Henry County Water District No. 2

Gentlemen:

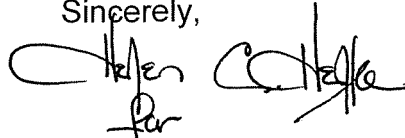
Commission Staff has reviewed Henry County Water District No. 2's ("Henry District") application and has rejected it for the deficiencies set forth in the enclosed list. Commission Staff has previously advised Henry District of these deficiencies and has been advised by electronic mail that Henry District intends to revise and resubmit its application.

The statutory time period in which the Commission must review Henry District's application will not commence until the listed deficiencies are cured. Please note that rejection of the application prevents Henry District from assessing the proposed rates contained in the application. When Henry District submits its revised application, it should refile its proposed tariff sheets with a new proposed effective date. The proposed effective date should be at least 30 days from the date on which Henry District submits its revised application. When submitting the revised application, Henry District should submit 10 copies of the application, unless it requests the use of electronic filing procedures.

Mr. James Simpson  
Mr. Merle Brewer  
D. Berry Baxter, Esq.  
December 28, 2009  
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Any questions regarding this memorandum should be directed to Gerald Wuetcher, Commission Counsel, at (502) 564-3940, Extension 259.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen". The signature is stylized with a large initial "J" and a long horizontal stroke.

Jeff Derouen  
Executive Director

gw

Enclosure

Cc: Parties of Record .....

**CASE NO. 2009-00370  
FILING DEFICIENCIES IN APPLICATION**

Law/Regulation	Requirement
	Attorney has not signed application. Attorney does not represent Applicant (no formal entry of appearance).
807 KAR 5:001, Section 10(6)(b)(c)	Testimony of each witness who will support the application. Only testimony filed supports only the application for system development charge, not the request for general rate adjustment.
807 KAR 5:001, Section 10(7)(c)	For each proposed pro forma adjustment reflecting plant additions, amount contained in construction work in progress at end of test period.
807 KAR 5:001, Section 10(7)(c)	For each proposed pro forma adjustment reflecting plant additions, the starting date of the construction of each major plant component.
807 KAR 5:001, Section 10(7)(c)	For each proposed pro forma adjustment reflecting plant additions, the proposed in-service date.
807 KAR 5:001, Section 10(7)(c)	For each proposed pro forma adjustment reflecting plant additions, the total estimated cost of construction at completion.
807 KAR 5:001, Section 10(7)(c)	For each proposed pro forma adjustment reflecting plant additions, complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement.
807 KAR 5:001, Section 10(7)(c)	For each proposed pro forma adjustment reflecting plant additions, original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant operations.
807 KAR 5:001, Section 10(7)(c)	For each proposed pro forma adjustment reflecting plant additions, an explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period
807 KAR 5:001, Section 10(7)(c)	For each proposed pro forma adjustment reflecting plant additions, impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements.
807 KAR 5:001, Section 10(7)(d)	Operating budget for each month of period encompassing the pro forma adjustments
807 KAR 5:001, Section 11(1)(a)	Description of applicant's property

807 KAR 5:001, Section 11(1)(a)	Statement of the original cost of applicant's property and the cost to the applicant, if different
807 KAR 5:001, Section 11(1)(b)	Description of the amount(s) of Bonds or Notes or Other Indebtedness to be issued
807 KAR 5:001, Section 11(1)(b)	Full description of all terms of the bonds or notes or other indebtedness to be issued
807 KAR 5:001, Section 11(1)(b)	Statement of the interest rate of the bonds or notes or other indebtedness to be issued
807 KAR 5:001, Section 11(1)(b)	Statement of whether the debt is to be secured and, if secured, a description of the security interest and the means of security
807 KAR 5:001, Section 11(2)(b)	Copy of all trust deeds or mortgages (or the number of PSC case in which such documents previously filed
807 KAR 5:001, Section 11(2)(c)	If property to be acquired, maps and plans of the property
807 KAR 5:001, Section 11(2)(c)	If property to be acquired, detailed estimates by USOA account number
807 KAR 5:001, Section 9(2)	A full description of the proposed location of the proposed location of the new facility, including a description of the manner in which the new facility will be constructed
807 KAR 5:001, Section 9(2)	Three (3) maps to suitable scale (preferably not more than two (2) miles per inch showing the location of the new facility as well as the location to scale of any like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of such other facilities
KRS 322.340	Engineering plans, specifications, plats and report for the proposed construction. All engineering documents must be signed, sealed and dated by an engineer registered with the Commonwealth of Kentucky.
807 KAR 5:069, Section 1(2)	Copy of the documents from Rural Development (RD) stating approval of the project and including the terms and conditions to be met
807 KAR 5:069, Section 1(2)	Copy of the letter of concurrence in bid award
807 KAR 5:069, Section 1(2)	Copy of the preliminary and final engineering reports
807 KAR 5:069, Section 1(2)	Certified statement from an authorized utility official confirming that the proposed plans and specifications have been designed to meet the minimum construction and operating requirements set out in 807 KAR 5:066, Section 4(3) and (4); Section 5(1); Sections 6 and 7; Section 8(1) – 8(3); Section 9(1); and Section 10
807 KAR 5:069, Section 1(2)	Certified statement from an authorized utility official confirming that any proposed rates will produce the total revenue requirements set out in the engineering reports
807 KAR 5:069, Section 1(2)	Certified statement from an authorized utility official confirming the dates upon which construction will begin and end
807 KAR 5:090, Section 3(2)	A statement of the reason the system development charge is required

807 KAR 5:090, Section 3(6)	Capital Improvement Plan
807 KAR 5:090, Section 3(7)	A statement describing when the proposed system development charge will be assessed and explaining why the proposed time for assessment is reasonable
807 KAR 5:090, Section 3(8)	Statement that notice given in compliance with 807 KAR 5:090, Sections 6 and 7
807 KAR 5:090, Section 6	Notice of SDC shall contain statement that "Any person may examine the rate application and any other filing made by (the water utility) at (the main office of the water utility) or at the commission's office at 211 Sower Boulevard, Frankfort, Kentucky 40601".
807 KAR 5:090, Section 6	Notice must state utility's address.