

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

COMMISSION STAFF'S SECOND DATA REQUEST
TO FRANKFORT ELECTRIC AND WATER PLANT BOARD

Frankfort Electric and Water Plant Board ("Plant Board"), 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 December 19, 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 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.

The Plant Board shall make timely amendment to any prior responses if either 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 requests to which the Plant Board fails or refuses to furnish all or part of the requested information, the Plant Board shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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. Refer to the Plant Board's Response to the Elkhorn and Peaks Mill Water Districts' First Set of Interrogatories and Production of Documents, Item 11. The Plant Board stated that "[f]ire expenses are allocated to Public and Private Fire Rate Classes, not to wholesale customers." Clearly demonstrate that costs associated with private and public fire protection are not allocated to the wholesale customers.

2. At the informal conference held on August 21, 2008, representatives of the Plant Board stated that distribution mains under 10 inches were not allocated to the wholesale customers. However, in its response to the Elkhorn and Peaks Mill Water Districts' First Set of Interrogatories and Production of Documents, Item 12, the Plant Board states that "[d]istribution mains under 10-inch [sic] were allocated to wholesale customers because

distribution mains are required to provide service to the wholesale customers, many who are directly connected to mains less than 10-inches in diameter.”

a. State whether or not lines smaller than 10 inches in diameter are included in the costs allocated to the wholesale customer.

b. If some or all of the cost of lines smaller than 10 inches in diameter are allocated to the wholesale customers, explain why costs associated with these smaller distribution lines that serve retail customers would be allocated to wholesale customers.

3. For each wholesale customer, provide a list of connections that identify the size of each line and meter.

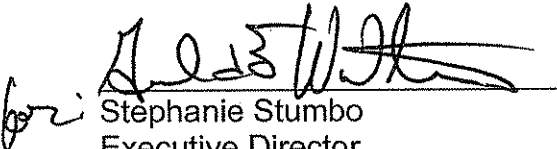
4. Refer to Item 8 of the Plant Board’s responses to the Commission Staff’s Data Request of September 5, 2008. The Plant Board states that “[s]ince FEWPB does not track water distribution expenses by mains, meters and services, expenses listed a, b, and c, were assigned to mains, meters and services using one-third of the total water distribution expense for each category.”

a. Provide an example of costs that make up each category.

b. Explain why these costs should be allocated to the wholesale customer despite being labeled as distribution expenses.

5. Refer to the Plant Board’s responses to Commission Staff’s Data Request of September 5, 2008, Item 8. The Plant Board maintains that because

it does not track water distribution expenses by mains, meters, and services that it was reasonable to divide the cost of each equally by three based on the activities performed by the personnel within that account. Provide a breakdown and description of the activities performed by the personnel that comprise the costs of these categories. Explain why the costs associated with each activity should be allocated to the wholesale customer.


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DATED DECEMBER 5, 2008

cc: All Parties

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