

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)	CASE NO.
WHOLESALE WATER SERVICE RATES OF)	2009-00465
THE CITY OF WHITESBURG)	

COMMISSION STAFF'S SECOND INFORMATION REQUEST
TO THE CITY OF WHITESBURG

The City of Whitesburg ("Whitesburg"), pursuant to 807 KAR 5:001, is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the issuance of this request. 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 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.

Whitesburg shall make timely amendment to any prior response 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

Whitesburg 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.

Prior to filing any materials with the Commission, all parties should carefully review documents to ensure that any personal identifiers of a sensitive nature such as social security numbers, tax identification numbers, insurance policy identification numbers, and bank account numbers are redacted, unless the documents are to be filed confidentially under 807 KAR 5:001, Section 7.

1. State the date on which the purchased water contract with Letcher County Water and Sewer District ("Letcher District") was entered into.
2. Identify the date on which Letcher District first purchased water under this contract.
3. State whether the restriction on including additional capitalization of Whitesburg's system in the purchased water contract became effective on the date the contract was entered into or the date that water was first purchased under this contract.
4. Give a specific listing of the bonds or other long-term debt that may be included in determining the wholesale water rate and provide an amortization schedule for each debt listed, showing:

a. The annual principal, interest, debt service, and amount allocated to the wholesale customer.

b. The factors used to allocate the amounts to the wholesale customer. Explain how these factors were developed.

5. Exhibit 3 of Whitesburg's response to the Commission Staff's first data request suggests that the fiscal year ending June 30, 2006 is the test period for this case.

a. If 2006 is not the test period in this case, state what the test period is and why that period was chosen.

b. If 2006 is the test period, explain why that period was chosen.

6. If 2006 is not the test period in this case, restate Exhibit 3 using the test-period numbers.

7. Provide the calculations, including any assumptions, used to determine the proposed wholesale rate of \$3.53 per 1,000 gallons.

8. Identify the allocation factor that should be applied to depreciation and how that factor was determined.

9. State how much water is currently being purchased by the wholesale customer.

a. Explain whether the amount of water purchased impacts the allocation factors.

b. If yes, explain how it affects those factors and show the effects it has on those factors.

10. State whether the expenses allocated to the wholesale customer include any payments to Whitesburg.

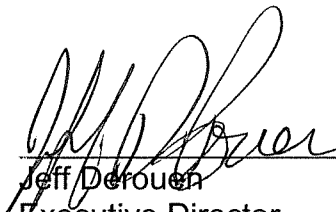
a. If yes, identify where the payments are included in the accounting records.

b. If yes, state the amount of the payments.

11. a. Refer to Whitesburg's response to item 12(a) of Commission Staff's first data request. Complete the table in the form that was provided in the original data request for the entire system.

Water Main Size	Total Miles Of Line	Miles Of Lines Used By HWEA To Serve Its Wholesale Customers
14"		
12"		
10"		
8"		
6"		
4"		
2"		

b. The utility responded with the number of miles of water main from the water treatment plant to the county master meter. State whether these are dedicated lines or jointly used.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
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DATED: MAR 25 2010

cc: Parties of Record

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