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February 1, 2011

**PLEASE NOTE THAT THE ORIGINAL OF THIS FILING
CONTAINS CONFIDENTIAL COMMERCIAL INFORMATION**

Via Hand-Delivery

Mr. Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

FEB 01 2011

PUBLIC SERVICE
COMMISSION

Re: In the matter of Alternative Rate Filing of Hillridge Facilities, Inc. ("Hillridge"),
Case #2007-00426

Dear Mr. Derouen:

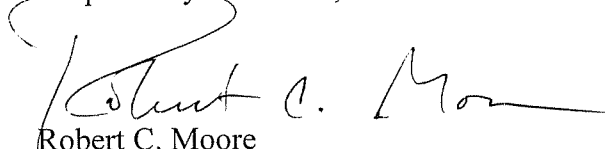
Please find enclosed for filing in the above referenced case the following documents:

- 1) The unredacted, confidential original of Hillridge's Answers to Commission Staff's First Information Requests and two (2) redacted paper copies of same; and,
- 2) The Petition for Confidential Treatment filed on behalf of Hillridge.

The unredacted, confidential original of Hillridge's Answers to Commission Staff's First Information Requests contains a List of Invoices and the Invoices themselves that have been labeled as confidential and Hillridge seeks confidential treatment of this confidential commercial information. Hillridge accordingly files its Petition for Confidential Treatment for the List of the Invoices and the Invoices.

Please call me if you have any questions concerning this filing, and thank you for your attention to this matter.

Respectfully submitted,


Robert C. Moore

RCM/db

Enclosures

cc: Sonja Ridge
Jack Kaninberg

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

FEB 01 2011
PUBLIC SERVICE
COMMISSION

In the Matter of:

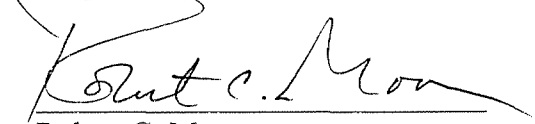
ALTERNATIVE RATE FILING OF)
HILLRIDGE FACILITIES, INC.) CASE NO. 2010-00426

**ANSWERS OF HILLRIDGE FACILITIES, INC., TO COMMISSION STAFF'S FIRST
INFORMATION REQUESTS**

PUBLIC REDACTED VERSION

Comes Hillridge Facilities, Inc. ("Hillridge"), by counsel, and attaches hereto its
Answers to Commission Staff's First Information Requests.

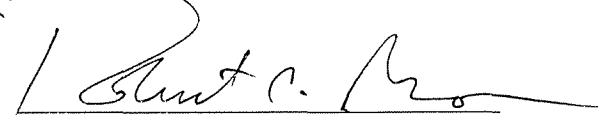
Respectfully Submitted,



Robert C. Moore
Hazelrigg & Cox, LLP
415 West Main Street, 1st Floor
P.O. Box 676
Frankfort, Kentucky 40602-0676

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by first class mail, postage prepaid, on Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602, David Edward Spenard, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204 and Laurence J. Zielke and Janice M. Theriot, Zielke Law Firm PLLC, 1250 Meidinger Tower, 462 S. 4th Street, Louisville, Kentucky, on the 1st day of February, 2011.



Robert C. Moore

Hillridge Facilities Response to First PSC Data Request

Explanatory Note: The PSC Staff data request of January 11, 2011 requests that Hillridge provide 2010 information related to several 2009 expense accounts and pro forma adjustments in its rate application. The data request specifically references the 1/1/2011 customer count, Owner/Manager Fees, Chemicals Expenses, Routine Maintenance Fees, Outside Services Employed, Insurance Expense, and Maintenance of General Plant Expense. In responding to this data request, Hillridge must note that the data request's timing in early January (and a required response in early February) necessitates that Hillridge file 2010 expense account information before that information has been finalized by Hillridge's CPA. In other words, Hillridge has available information regarding 2010 checks written, but the CPA hasn't had sufficient time to analyze it, prepare adjusting entries, and finalize 2010 accounts on an accrual basis to make them consistent with the information filed for the 2009 test year. In addition, Hillridge has made its best efforts but has been unable, under the current circumstances, to locate all invoices related to the accounts in question. For any currently unavailable invoices, Hillridge will continue to make its best efforts to locate and provide those invoices.

(Data Request Accounts in Bold)	2009	'09 Restated	Adjustments	Ref	Adjusted
Flat Rate Revenues	\$211,503	\$211,503	(\$3,020)	A	\$208,483
Owner/Manager Fee	0	0	\$21,575	C	\$21,575
Sludge Hauling	\$36,377	\$26,698	0		\$26,698
Utilities-Fuel & Water Expense	\$52,263	\$51,383	\$5,836	D	\$57,219
Chemicals	\$5,895	\$6,775	\$3,225	E	\$10,000
Routine Maintenance Fee (875)	\$45,036	\$58,803	(\$22,724)	F	\$36,079
Maint. of Structures & Improvements	\$9,880	\$9,880	0		\$9,880
Customer Records & Collection	\$7,516	\$7,516	0		\$7,516
Office Supplies & Other	\$3,022	\$3,022	0		\$3,022
Outside Services – Testing	\$16,098	\$12,010	0		\$12,010
Outside Services - Legal & Prof.	\$23,908	\$25,183	(\$3,183)	G	\$22,000
Insurance Expense	\$6,903	\$6,903	\$261	H	\$7,164
Miscellaneous General Expense	\$519	\$519	0		\$519
Maintenance Of General Plant	\$33,039	\$31,764	(\$18,910)	I	\$12,854
<i>Total O&M Expenses</i>	<i>\$240,456</i>	<i>\$240,456</i>	<i>(\$13,920)</i>		<i>\$226,536</i>

Data Request Responses

Question 1. What is the total customer count as of 1/1/2011?

Answer: At 1/1/2011, Hillridge had 720 customers.

Witness: Sonja Ridge

Question 2. Refer to Attachment A of the Application, Adjustment C, Owner/Manager Fee. (a) To whom is the \$6,000 bookkeeping expense paid?

Answer: The \$6,000 bookkeeping expense is paid to Sonja Ridge.

(b) Is Hillridge currently paying rent? If yes, to whom is it paying rent?

Answer: During 2010, Hillridge stopped paying annual rent of \$3,575 to Palmetto Land Company because that entity was dissolved. Thereafter, Hillridge did not physically write a check to any entity, but did continue to include the \$3,575 assumed rental into the compensation paid to Hillridge's officers.

Witness: Sonja Ridge

Question 3. Refer to Attachment A of the Application, Adjustment E, Chemicals Expenses. List and provide invoices for each expense related to Chemical Expense for 2010.

Answer: A list of 2010 Chemicals Expenses, and invoices, are included in Appendix A.

Witness: Sonja Ridge

Question 4. Refer to Attachment A of the Application, Adjustment F, Routine Maintenance Fees. List and provide invoices for each expense related to Routine Maintenance Fees for 2010.

Answer: A list of 2010 Routine Maintenance Fee Expenses, and invoices, are included in Appendix A.

Witness: Sonja Ridge

Question 5. Refer to Attachment A of the Application, Adjustment G, Outside Services Employed. List and provide invoices for each expense related to Outside Services Employed for 2010.

Answer: A list of 2010 Outside Services Employed Expenses, and invoices, are included in Appendix A.

Witness: Sonja Ridge

Question 6. Refer to Attachment A of the Application, Adjustment H, Insurance Expense. List and provide invoices for each expense related to Insurance Expense for 2010.

Answer: A list of 2010 Insurance Expenses, and invoices, are included in Appendix A.

Witness: Sonja Ridge

Question 7. Refer to Attachment A of the Application, Adjustment I, Maintenance of General Plant Expense. List and provide invoices for each expense related to Maintenance of General Plant Expense for 2010.

Answer: A list of 2010 Maintenance of General Plant Expenses, and invoices, are included in Appendix A.

Witness: Sonja Ridge

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF JEFFERSON)

The undersigned, Sanja Ridge, being duly sworn, deposes and states she is the Vice President of Hillridge Facilities, Inc., Applicant, in the above proceedings; that she has read the foregoing responses and has noted the contents thereof; that the same is true of her own knowledge, except as to matters which are there in stated on information or belief, and as to those matters, she believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this _____.

Sanja U Ridge - Vice Pres/Sec.
_____, Vice President
Hillridge Facilities, Inc.

Subscribed and sworn to before me by Sanja Ridge, Vice President of Hillridge Facilities, Inc., on this 1/31, 2011.

My Commission Expires June 8, 2014

Paige Klein

Notary Public
In and for said County and State

Hillridge Facilities, Inc.

Case No. 2010 - 00426

Appendix A of Response to First PSC Data Request of January 11, 2011

List of Expenses and Invoices for Certain Expense Accounts

List of invoices:

Redacted - Confidential and Proprietary

Invoices

Redacted - Confidential and Proprietary

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

FEB 01 2011

PUBLIC SERVICE
COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING OF)
HILLRIDGE FACILITIES, INC.) CASE NO. 2010-00426

HILLRIDGE FACILITIES, INC'S PETITION FOR CONFIDENTIAL TREATMENT OF LIST OF INVOICES AND INVOICES ATTACHED TO ITS ANSWERS TO COMMISSION STAFF'S FIRST INFORMATION REQUESTS

Comes Hillridge Facilities, Inc. ("Hillridge"), by counsel, and for its Petition for Confidential Treatment of the List of Invoices and the Invoices Attached to its Answers Commission Staff's First Information Requests, states as follows:

1. The List of Invoices contains proprietary confidential information that would aid competitors of Hillridge, if released, and this information is otherwise proprietary information not released outside the companies. Such confidential and proprietary trade secret information is subject to protection from disclosure pursuant to Kentucky law. See KRS 61.870 et seq.

2. Hillridge's confidential responses in material part contain specific dollar figures relating to their costs and operations in Kentucky. This information constitutes a trade secret because it is commercial information, that if disclosed, could cause substantial competitive harm to Hillridge. This information is not publicly available. It would be difficult, if not impossible, for someone to discover this information from other sources. If this information were available to competitors in this form, they could use it to the competitive disadvantage to Hillridge.

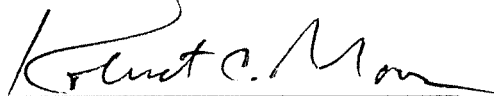
3. Hillridge is currently under the threat of condemnation by the Louisville and Jefferson County Metropolitan Sewer District ("MSD"). In its Motion for Intervention filed in this proceeding, MSD alleged that it "recently completed construction on a pump station which makes a regional sewer system available to the homeowners currently served by Hillridge." Accordingly,

MSD seeks to take over the customers of Hillridge. The relevant provisions of KRS 65.112(1) state that MSD will be required to pay “just compensation for these installations [owned by Hillridge] prior to the time the customers are taken over.” MSD has made an offer to Hillridge for the purchase of its collection system, but no agreement has been reached with respect to same. KRS 65.112 further authorizes MSD to use the power of eminent domain to take over Hillridge’s facilities in the event that the parties cannot agree upon the compensation to be paid Hillridge for its installations. The release of Hillridge’s confidential and proprietary information to MSD would place Hillridge at a competitive disadvantage with respect to any negotiations with MSD.

4. This information is not generally disclosed to non-management employees of Hillridge and is treated as confidential and proprietary information. The disclosure of the Confidential information would result in significant or irreparable harm to Hillridge by providing MSD with a competitive advantage. No public purpose is served by the disclosure of such information, and the regulations of the Commission contemplate the filing of such information under a confidentiality order. Pursuant to the above referenced statements, Hillridge requests that this information be deemed and treated as confidential by the Commission.

WHEREFORE, Hillridge respectfully request that the **Commission enter all necessary orders granting confidential treatment to the List of Invoices and the Invoices attached to its Answers to Commission Staff’s First Information Requests.**

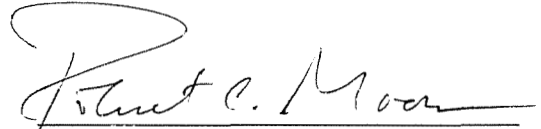
Respectfully Submitted,



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Robert C. Moore