

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH SHORE WATER)
WORKS COMPANY FOR AN ORDER) CASE NO. 2012-00476
APPROVING A TRANSFER OF OWNERSHIP AND)
CONTROL)

COMMISSION STAFF'S REQUEST FOR INFORMATION
TO SOUTH SHORE WATER WORKS COMPANY

Pursuant to 807 KAR 5:001, South Shore Water Works Company ("South Shore Water") shall file with the Commission no later than December 4, 2012, the original and five copies of the following information, with a copy to all parties of record. 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. South Shore Water 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 South Shore Water fails or refuses to furnish all or part of the

requested information, South Shore Water 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. KRS 278.020(5) provides that “[n]o person shall acquire ... ownership of, or control, or the right to control, any utility under the jurisdiction of the commission by sale of assets, transfer of stock, or otherwise, ...without prior approval of the commission.” Explain why the City of South Shore, Kentucky, has not applied for such approval or jointly applied for such approval with South Shore Water.

2. Identify the authority by which South Shore Water may make representations regarding the financial, technical, and managerial abilities of the City of South Shore to provide utility service or its intentions upon acquisition of South Shore Water’s facilities, as the City of South Shore is not an applicant before the Commission, nor does the Application contain any statement that South Shore Water or its legal counsel is authorized to act on behalf of the City of South Shore.

3. State whether South Shore Water agrees that KRS 278.020(6) is also applicable to the proposed transfer of ownership of South Shore Water’s facilities. If it does not agree, explain why not.

4. List all governmental agencies that must approve the proposed transfer.

5. For each governmental agency whose approval is required, state:

- a. The nature of the approval that must be obtained;
 - b. The date on which South Shore Water or the City of South Shore applied for such approval or expects to apply for such approval; and
 - c. The agency's action on the application. Provide a copy of any written decision that the agency has issued.
6. Provide a copy of the City of South Shore's most recent financial audit.
7. State whether the City of South Shore has ever filed for bankruptcy protection.
8. Provide a copy of the resolution of the City Council of South Shore authorizing the Mayor of the City of South Shore to execute the Asset Purchase Agreement with South Shore Water.
9. Provide the minutes of each meeting of the City Council of South Shore in which the proposed purchase of South Shore Water's facilities was discussed.
10.
 - a. State amount of customer deposits that South Shore Water is currently holding.
 - b. State whether these customer deposits will be refunded to customers before or upon the transfer of ownership of South Shore Water's facilities.
 - c. If no refund of customer deposits will occur, describe the actions that will be taken regarding these deposits.
11.
 - a. State the number of customers to whom the City of South Shore provides sewer service.

b. State the number of customers who receive sewer service from the City of South Shore and who reside outside the corporate boundaries of the City of South Shore.

12. a. State the number of customers that South Shore Water presently serves.

b. State the number of customer who receive water service from South Shore Water and who reside outside the corporate boundaries of the City of South Shore.

13. State whether the City of South Shore presently charges the same rate for its sewer service to customers who live outside its corporate boundary as it charges to those who live within its corporate boundaries.

14. a. State whether all persons receiving sewer service from the City of South Shore receive water service from South Shore Water. If no, state the name of the water provider that serves those persons who do not receive water service from South Shore Water.

b. State whether all persons receiving water service from South Shore Water receive sewer service from the City of South Shore. If no, state the name of the sewer service provider that serves those persons who do not receive sewer service from the City of South Shore.

15. Refer to Application, Paragraph 11.

a. State the basis for South Shore Water's statement that the City of South Shore will consider retaining Greg Hall to operate the water treatment and distribution facilities.

b. State the basis for South Shore Water's statement that the City of South Shore will rely upon Chad Clark to to operate the water treatment and distribution facilities.

16. a. Describe Mr. Hall's qualifications to operate a water treatment plant and distribution system.

b. State whether the Kentucky Energy and Environment Cabinet has certified Mr. Hall as a water operator.

c. If the Kentucky Energy and Environment Cabinet has certified Mr. Hall as a water operator:

(1) State the specific operation classification for which he has been certified.

(2) Provide Mr. Hall's license number.

17. State, using the classification system established in 401 KAR 8:030, the classification within which South Shore Water's water treatment and distribution system falls.

18. Describe how the City of South Shore intends to finance the purchase of South Shore Water's assets.

19. At Paragraph 11 of its Application, South Shore Water states that George Hannah has agreed to consult with the City of South Shore should any questions or issues arise concerning the operation of the water system.

a. State the provision of the "South Shore Water Works Co. Asset Purchase Agreement" in which Mr. Hannah makes this agreement.

b. Explain how this statement is consistent with Paragraph CC of the “South Shore Water Works Co. Asset Purchase Agreement.”

20. Refer to Application, Paragraph 13.

a. State the basis for South Shore Water’s statement that the City of South Shore “does not have any existing plan in place to change rates going forward.”

b. State the basis for South Shore Water’s statement that “South Shore customers will continue to be charged in accordance with the rates, charges, and classifications set forth in the tariff currently on file with the Commission.” Describe the authority under which South Shore Water may make such representation on behalf of the City of South Shore.



Jeff Derouen
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DATED: NOV 20 2012

cc: Parties of Record

Case No. 2012-00476

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