

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SALT RIVER WATER DISTRICT AND KENTUCKY)
TURNPIKE WATER DISTRICT JOINT PETITION) CASE NO. 92-169
FOR APPROVAL OF MERGER AGREEMENT AND)
RETAIL RATE ADJUSTMENT)

O R D E R

IT IS ORDERED that Salt River Water District ("Salt River") shall file the original and 12 copies of the following information with the Commission with a copy to all interested parties of record no later than August 14, 1992. Salt River shall furnish with each response the name of the witness who will be available to respond to questions concerning each item of information requested should a public hearing be scheduled.

1. Refer to Item 5 of Salt River's response to the Commission's Order of July 22, 1992.

a. State whether consideration was given to the elimination of the \$846 monthly surcharge in the preparation of the proposed merger agreement.

b. If the merged utility is to be operated as a single entity (as stated in Salt River's response to Item 4) explain why Division II should pay the surcharge to Division I for the use of plant in service owned by Division I.

2. Refer to Item 6a of Salt River's response to the Commission's Order of July 22, 1992. State whether the payoff of

Salt River's debt to KIA will occur with one payment or with continued payments over the life of the debt.

3. Refer to Item 6b of Salt River's response to the Commission's Order of July 22, 1992.

a. Describe the services that Salt River will be providing to Kentucky Turnpike customers.

b. State whether Louisville Water Company's ("LWC") charges to Kentucky Turnpike will decrease when Salt River begins providing services to Kentucky Turnpike.

4. Refer to Item 7 of Salt River's response to the Commission's Order of July 22, 1992. The amortization schedule of KIA debt after merger does not include service fees. Provide the amounts of the service fees which will be required.

5. Refer to Item 10 of Salt River's response to the Commission's Order of July 22, 1992. State when the contract between LWC and Kentucky Turnpike will expire.

6. Refer to Item 11a of Salt River's response to the Commission's Order of July 22, 1992. Provide the attached documentation referred to in Salt River's response.

7. Describe the method to be used to determine whether new customers will be assigned to Division 1 or Division 2 of the utility should the proposed merger become effective.

8. Provide a copy of Salt River's chart of accounts.

9. Refer to Item 18 of Salt River's response to the Commission's Order of July 22, 1992.

a. The minutes of April 18, 1991 referenced a letter from the City of Shepherdsville which rejected Salt River's offer to purchase customers. Provide copies of all correspondence related to this issue.

b. In the minutes of September 27, 1991 reference is made to Salt River's retaining of attorney Wallace Spalding, III. Describe the services to be performed by Mr. Spalding in exchange for his monthly retainer of \$1,000. State whether Salt River would continue to retain Mr. Spalding should the proposed merger become effective.

c. In the minutes of December 27, 1991 reference is made to a meeting held December 23 at Salt River's office to discuss the proposal to the Public Service Commission. Provide a copy of the minutes of that meeting.

d. What was the reason given by Kentucky Turnpike to review all new water main extensions that are submitted to Salt River? See August 9, 1991 minutes.

e. Provide a copy of the invoice, and back up data, that was sent to Waste Management for loss of revenue during the train derailment evacuation. See November 27, 1991 minutes.

10. If Roby Elementary School is currently a customer of Salt River, please provide their monthly usage to date.

11. Provide the monthly usage to date of the South East Bullitt Fire Department.

12. Refer to Item 19 of Salt River's response to the Commission's Order of July 22, 1992. Explain why it would not be

feasible for Kentucky Turnpike to change its rate design instead of Salt River changing a recently approved and justified rate design.

13. Refer to Item 21 of Salt River's response to the Commission's Order of July 22, 1992. Provide a detailed billing analysis based on each customer's actual usage during each month of January through December, 1991. This analysis should include a study for both the present and proposed rate design.

14. Refer to Item 11 of Salt River's response to Data Requests of Dovie Sears, ET AL., dated July 22, 1992.

a. State the number of residents in the project area that will be funding the \$200,000 expansion project.

b. Provide the amount of funds collected to date.

c. State whether or not the total amount must be collected before construction can begin.

d. State whether or not a refunding plan will be implemented to reimburse current residents if additional customers hook on to the line. If yes, provide details. If no, explain why not.

Done at Frankfort, Kentucky, this 7th day of August, 1992.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director