

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTH WOODFORD WATER)
DISTRICT FOR AUTHORITY TO ACQUIRE)
AND OPERATE THE ASSETS OF SHORE ACRES,) CASE NO. 9775
INC., IN WOODFORD COUNTY, KENTUCKY)

O R D E R

On January 26, 1987, North Woodford Water District ("North Woodford") filed an application for authority to acquire and operate the assets of Shore Acres, Inc. ("Shore Acres"). The application states that it is in the best interest of the residents of Shore Acres Subdivision for North Woodford to acquire Shore Acres because it would encourage the development of the subdivision, the existing distribution system would be more efficiently used, and North Woodford has the personnel, equipment and management skills to effectively operate the system.

The application also requests approval of North Woodford's construction of a 4600 foot water main extension connecting the Shore Acres water lines to North Woodford's distribution system at a cost of \$35,320. North Woodford, in accordance with 807 KAR 5:066(12)(2), contributed the cost of 50 feet (\$384) of the extension for each of the 18 Shore Acres homes connected to the extension for a total contribution of \$6,910 for 900 feet of the extension. The 18 new customers contributed \$1,578 each for a total of \$28,410 for 3700 feet of the extension.

North Woodford, in accordance with subsection (4) of 807 KAR 5:066(12) has proposed a refund plan that supplements the provisions of subsection (2)(b). The Shore Acres subdivision plat shows 38 lots and the proposed plan requires that all lots connected to the extension participate equally in the costs not covered by North Woodford. Under subsection (2)(b), the original 18 cost participants and North Woodford would be the only participants with North Woodford refunding 1/18th of \$384 to each of these 18 participants for each of the other 20 lots connected to the extension. The proposed refund plan equalizes cost participation by all connected parties. When all 38 lots are connected, North Woodford's participation will be \$14,589 and the participation of each of the 18 original lot holders will have decreased from \$1,578 to \$545, the same as all other lot holders. Appendix A shows a tabulation of cost participation beginning with 18 customers and proceeding through 38 customers.

North Woodford also proposes to adopt the present tariffs, rules, and regulations currently on file with the Commission.

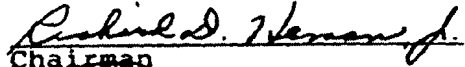
After reviewing the record, the Commission is of the opinion that North Woodford has the existing financial, managerial, and technical ability to operate Shore Acres.

IT IS THEREFORE ORDERED that:

1. The application of North Woodford Water District to acquire Shore Acres, Inc., is approved.
2. The construction of the 4600 foot main extension is approved.
3. The refund plan proposed by North Woodford is approved.

Done at Frankfort, Kentucky, this 25th day of June, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

AGGREGATE COSTS (4600 Foot Main Extension)			PER CONNECTION COSTS & PER CUSTOMER COSTS OF MAIN EXTENSION				
Total Cost	Customer's Costs	District's Costs	No. of Connections	Costs Per Connection	District's Cost Per Connection	Costs Per Customer (Costs Shared By All Customers)	No. of Customers Added
1	2	3	4	5	6	7	8
35,320.00	28,409.57	6,910.43	18	1,962.22	383.91	1,578.31	0
35,320.00	28,025.65	7,294.35	19	1,858.95	383.91	1,475.04	1
35,320.00	27,641.74	7,678.26	20	1,766.00	383.91	1,382.09	2
35,320.00	27,257.83	8,062.17	21	1,681.90	383.91	1,297.99	3
35,320.00	26,873.91	8,446.09	22	1,605.45	383.91	1,221.54	4
35,320.00	26,490.00	8,830.00	23	1,535.65	383.91	1,151.74	5
35,320.00	26,106.09	9,213.91	24	1,471.67	383.91	1,087.75	6
35,320.00	25,722.18	9,597.82	25	1,412.80	383.91	1,028.82	7
35,320.00	25,338.26	9,981.74	26	1,358.46	383.91	974.55	8
35,320.00	24,954.35	10,365.65	27	1,308.15	383.91	924.24	9
35,320.00	24,570.44	10,749.56	28	1,261.43	383.91	877.52	10
35,320.00	24,186.52	11,133.48	29	1,217.93	383.91	834.02	11
35,320.00	23,802.61	11,517.39	30	1,177.33	383.91	793.42	12
35,320.00	23,418.70	11,901.30	31	1,139.35	383.91	755.44	13
35,320.00	23,034.78	12,285.22	32	1,103.75	383.91	719.84	14
35,320.00	22,650.87	12,669.13	33	1,070.30	383.91	686.39	15
35,320.00	22,266.96	13,053.04	34	1,038.82	383.91	654.91	16
35,320.00	21,883.04	13,436.96	35	1,009.14	383.91	625.23	17
35,320.00	21,499.13	13,820.87	36	981.11	383.91	597.20	18
35,320.00	21,115.22	14,204.78	37	954.59	383.91	570.68	19
35,320.00	20,731.30	14,588.70	38	929.47	383.91	545.46	20