

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| APPLICATION OF OLDHAM COUNTY WATER |) | |
| DISTRICT NO. 1 TO DEVIATE FROM CERTAIN |) | CASE NO. 90-228 |
| PUBLIC SERVICE COMMISSION RULES AND |) | |
| REGULATIONS |) | |

O R D E R

On August 2, 1990, Oldham County Water District No. 1 ("Oldham No. 1") applied for Commission approval to deviate from certain Commission rules and regulations. Oldham No. 1 requested the deviations as a result of deficiencies cited by Commission Staff in a Utility Inspection Report issued on June 20, 1990. By Order issued on September 20, 1990, the Commission made the Louisville Water Company ("LWC") a party to this proceeding and scheduled an informal conference for October 24, 1990.

The Commission finds from the Utility Inspection Report of June 20, 1990, attached hereto as Exhibit A and incorporated by reference herein, that the scope of this proceeding should be broadened to include an investigation into the deficiencies listed therein.

On September 18, 1990, Oldham No. 1 filed tariff sheets proposing to increase its reconnection charge and its late payment charge. After reviewing the proposed tariff, the Commission finds that the proposed charges overlap with issues raised in the

aforementioned Utility Inspection Report and should therefore be considered within the context of this proceeding.

In its tariff filing, Oldham No. 1 proposed an effective date of January 1, 1990 for the charges. KRS 278.180 prohibits a utility from making a change in any rate or charge except upon 30 days notice to the Commission. Inasmuch as Oldham No. 1 failed to provide the Commission with the required notice, the Commission finds that the effective date is void, and that the tariff should be considered as lacking an effective date.

IT IS THEREFORE ORDERED that:

1. Oldham No. 1's tariff filing of September 18, 1990 shall be merged into this proceeding and the record thereof incorporated herein.

2. This proceeding shall be broadened in scope to include an investigation into the deficiencies cited in the Commission's Utility Inspection Report of June 20, 1990.

3. Oldham No. 1 shall file the original and 12 copies of the following information with the Commission no later than October 19, 1990, with a copy to all parties of record. If the information requested is in the possession of LWC, Oldham No. 1 shall obtain it from LWC. Oldham No. 1 shall furnish with each response the name of the witness who will be available for responding to questions concerning each item of information should a public hearing be required in this matter.

- (1) How many customers does Oldham No. 1 currently serve?
- (2) How many new customers have been added in each of the last three years?
- (3) Provide a schedule showing the total tap fee charged Oldham No. 1 customers for each size meter through which Oldham No. 1 customers receive service.
- (4) For each tap shown, indicate the amount retained by LWC and the amount retained by Oldham No. 1.
- (5) How much total revenue was collected from tap fees in each of the last three years? How much was retained by LWC and how much by Oldham No. 1?
- (6) Provide a detailed list of the services performed and expenses incurred by Oldham No. 1 in making the service taps for which the tap fees are collected.
- (7) Provide a schedule showing all special charges assessed against Oldham No. 1 customers by either Oldham No. 1 or LWC, including, but not limited to, connection (turn-on) fee, reconnection fee, bad check charge, and late payment penalty.
- (8) Provide detailed cost justification for each special charge.
- (9) What is the current level of surcharge being charged? If different surcharges are assessed against different locations or classes of customers, indicate the location, customer class, and amount of surcharge for each.
- (10) Provide copies of any letters, orders, or other documentation showing Public Service Commission approval of the

rates, tap fees, special charges, and surcharges currently being charged Oldham No 1 customers.

(11) What is the total revenue generated by the surcharge for each of the last three years?

(12) Provide a schedule showing the disbursements made from both surcharge and tap fee revenues and the current balances for the past three years.

(13) How often do Oldham No. 1's water district commissioners meet for the purpose of conducting water district business?

(14) Provide copies of the minutes of the water district commissioners' meetings for the last 12 months.

(15) Provide a detailed list of the services performed by each of the water district commissioners on behalf of the district and the average number of hours worked per month.

(16) Does Oldham No. 1 maintain an office and/or staff?

(17) Explain how applications for service and customer complaints are handled, and by whom.

(18) Provide copies of any correspondence from Oldham No. 1 to LWC specifying the amount of the surcharge to be assessed per paragraph six of the lease executed on July 9, 1964.

(19) Have any changes or amendments been made to the lease agreement with LWC since the original agreement of July 9, 1964? If so, provide copies of all such changes or amendments.

(20) Provide copies of any orders or other documentation showing Public Service Commission approval of the lease agreement of July 9, 1964.

(21) Have any line extensions been constructed during the last three years?

(22) What was the total cost of each construction project?

(23) Who paid for the construction?

(24) For any construction performed and paid for by developers or other customers, specify the amount of refunds and the manner in which refunds were made.

(25) Who inspected the line extensions constructed to ensure compliance with regulatory and utility standards?

(26) Were such construction projects negotiated and arranged for by Oldham No. 1 or LWC?

(27) Enclosed is a copy of an application for a deviation from the minimum water storage requirement of 807 KAR 5:066, Section 5(4). Answer each question in detail and return the application along with any supporting documents.

(28) Explain Oldham No. 1's reasons for not meeting Commission regulation 807 KAR 5:066, Section 7(1) and (2). Explain in detail why Oldham No. 1 should be granted a deviation from these requirements.

(29) How does Oldham No. 1 determine how much water it purchases from LWC?

(30) Provide detailed information as to who performs the pressure surveys for Oldham No. 1 and how this information is maintained. Is this data readily available to the Commission and Oldham No. 1?

(31) Provide information on the number of meters tested during 1989 and the first six months of 1990. What kind of adjustment does Oldham No. 1 make when a meter reading is inaccurate?

Done at Frankfort, Kentucky, this 5th day of October, 1990.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director