

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MOUNTAIN WATER)	
DISTRICT OF PIKE COUNTY, KENTUCKY,)	
FOR A CERTIFICATE OF PUBLIC)	CASE NO. 95-280
CONVENIENCE AND NECESSITY TO)	
CONSTRUCT, FINANCE, AND INCREASE)	
RATES PURSUANT TO KRS 278.023)	

O R D E R

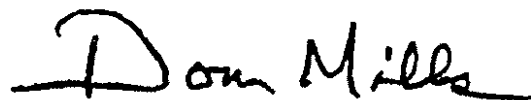
The Commission, on its own motion, HEREBY ORDERS that Mountain Water District ("Mountain") shall appear at an informal conference at 1:30 p.m. EDT on July 10, 1995, in Conference Room 1 of the Commission's offices, 730 Schenkel Lane, Frankfort, Kentucky, for the purpose of discussing Mountain's representations and commitments to acquire the residential customers of Potter Water Service.

IT IS FURTHER ORDERED that Mountain shall file with the Commission by July 10, 1995, an original and five copies of the information requested in Appendix A, attached hereto and incorporated herein by reference. Each response shall include 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.

Done at Frankfort, Kentucky, this 30th day of June, 1995.

By the Commission

ATTEST:

A handwritten signature in cursive script that reads "Don Mills". The signature is written in dark ink and is positioned above a horizontal line.

Executive Director

Done at Frankfort, Kentucky, this 30th day of June, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-280 DATED 30th day of June, 1995.

1. On November 9, 1994, Mountain and Potter Water Service ("Potter") tendered for filing an application for approval of the transfer of Potter's residential customers to Mountain. By Order dated May 31, 1994, the Commission approved the transfer "subject to Mountain's subsequent receipt of approval to construct the water mains necessary to effectuate the transfer." Explain in detail why Mountain has now failed to request approval to construct the water mains contemplated in Case No. 94-434.¹

2. Mountain's application for approval of construction, financing and rates indicates that the extension of water mains to Ashcamp, Kentucky, to service Potter's residential customers was deleted because only 12 of 60 potential customers committed to pay a tap-on fee. During what time frame and in what manner were these tap-on fee commitments solicited?

3. In Case No. 94-434, Potter notified its residential customers on March 21, 1995, that they would be obligated to install new service lines and pay Mountain's tap-on fee, and that any comments on these obligations should be filed with the Commission. No comments were filed by any customer. Considering the absence of any comments and the probability that these customers will have no alternative source of potable water after

¹ Case No. 94-434, Joint Application of Potter Water Service and Mountain Water District for the Transfer of Residential Water Service.

their transfer to Mountain, explain in detail why Mountain did not analyze this project on the assumption that essentially all 57 customers will transfer.

4. In Case No. 94-434, Mountain stated in a March 23, 1995, letter that all funding was in place for the construction necessary to transfer Potter's residential customers.

a. As of March 23, 1995, what was the estimated construction costs to transfer these customers?

b. Based on the bids received, what is the construction cost to transfer these customers?

5. On what date did Mountain decide to eliminate the construction of water lines to acquire Potter's residential customers?

a. Was Potter notified of this decision? If yes, how and when was notice given and provide copies of any documentation. If no, explain why not.

b. Explain fully why Mountain failed to file notice with the Commission in Case No. 94-434 that the customer transfer requested and approved had been unilaterally abandoned by Mountain.

6. Explain why Mountain's application for construction, financing and rates contains no discussion of Mountain's commitment to acquire Potter's residential customers or the Commission's Order in Case No. 94-434 approving that acquisition.

7. Does Mountain still intend to acquire Potter's residential customers?

a. If yes, state the time frame.

b. Will Mountain serve Potter's residential customers through Potter's existing water mains?

8. Explain the rationale used to select the water line extensions which have been deleted from the project, and state whether any will be added as Change Orders should contingency money be available.