

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF U. S. 60 WATER)	
DISTRICT OF SHELBY AND FRANKLIN)	
COUNTIES, KENTUCKY, FOR AN ORDER)	CASE NO. 95-409
APPROVING CONSTRUCTION FINANCING,)	
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY)	

O R D E R

IT IS ORDERED that U. S. 60 Water District of Shelby and Franklin Counties ("U. S. 60") shall file an original and 10 copies (two copies of engineering-related materials) of the following information with the Commission, with a copy to all parties of record within 21 days from the date of this Order. U. S. 60 shall furnish with each response the name of the witness who will be available at the public hearing, if one is held, for responding to questions concerning each item of information requested.

1. The ground elevations and tank overflow suggest that pressures in the proposed extension are greater than those given in the preliminary engineering report. Provide hydraulic computations which support the pressure class of the pipe proposed for installation.

2. A flushing device was not shown on the plans submitted at the end of Rockbridge Road where one was expected. Provide an explanation of how the design meets the requirements of 807 KAR 5:066, Section 8(3).

3. Has construction started on the proposed Rockbridge Road extension?

4. Is a surcharge currently being billed to residents of Rockbridge Road along the proposed extension route?

5. How many prospective customers on Rockbridge Road have signed special extension agreements?

a. How many of these customers have paid the required tap on fee?

b. What is the amount of the tap on fee?

6. The final engineering report dated August 17, 1995, appears to base the amount of the surcharge on a tap on fee of \$500 per customer (\$11,000 total tap on fees divided by 22 customers equals \$500 per customer). Explain why the special extension agreement filed as Exhibit J of the application states that the tap on fee for a 5/8" by 3/4" meter is \$515.

7. The preliminary engineering report dated March 1994 recommended that the district take immediate steps to improve its financial condition by filing for a general rate increase.

a. Explain why the district did not file for a rate increase at that time, as recommended.

b. In view of this recommendation, explain the statement in Item 22 of the application stating that existing rates are sufficient to operate and maintain the system and meet the existing and new debt service requirements.

8. According to the application, the financing agreement requires a balloon payment after ten years. Explain how the

district plans to accumulate the money needed to make this balloon payment which Staff estimates at \$65,000.

9. Explain the computation of the maintenance and depreciation components of the fixed costs listed at 37 cents and 5 cents respectively on page 7 of the application.

Done at Frankfort, Kentucky, this 8th day of November, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director