

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE McCREARY)
COUNTY WATER DISTRICT FOR A)
CERTIFICATE OF PUBLIC) CASE NO. 2004-00516
CONVENIENCE AND NECESSITY TO)
CONSTRUCT AN IMPROVEMENTS)
PROJECT PURSUANT TO KRS 278.020)

COMMISSION STAFF'S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that McCreary County Water District ("McCreary County") file with the Commission, within 14 days of the date of this request, the original and 8 copies of the following information, with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who is responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. McCreary County's application contained a letter from the Division of Water ("DOW") dated April 24, 2002 approving the plans and specifications for a water line extension titled "Phase II Expansion for US Bureau of Prisons."

The plans approved by DOW included approximately 1,800 linear feet of 18-inch ductile iron water line and 64,500 linear feet of 16-inch ductile iron water line. McCreary County submitted an application for a Certificate of Public Convenience and Necessity (“CPCN”) requesting approval for the installation of approximately 21,590 linear feet of 12-inch ductile iron water line. In a letter to the Commission dated January 10, 2005, McCreary County submitted an explanation of the changes made to the scope of the project, but no such approval or permit from DOW. Provide a letter from DOW stating its approval of the changes made to the scope of the project.

2. Provide the hydraulic analysis, computations, and calculations related to the proposed project.

3. a. State whether all customers within McCreary County’s distribution system will benefit from the proposed project.

b. If all customers within McCreary County’s distribution system will benefit from the proposed project, describe the benefits that customers who are not located near the proposed project will receive as a result of the project.

c. State whether only persons who are located near the proposed project will benefit from the project.

d. State the number of new customers who will receive service as a result of the proposed project.

e. State the number of existing customers who will receive noticeable improvements in service as a result of the completion of the proposed project.

f. Identify and describe each of the existing problems within McCreary County’s distribution system that the proposed project will correct. For each problem identified, explain how the proposed project will correct the problem.

4. McCreary County intends to finance the proposed project with a \$1,130,000 contribution and interim loan of \$150,000 from the Bank of McCreary County.

- a. State the anticipated interest rate of the interim loan.
- b. State the monthly payment that McCreary County will make on the interim loan.
- c. Describe McCreary County's plans, if any, for refinancing this loan after one year.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED March 4, 2005

cc: All Parties