

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CONTRACT FILING OF CHRISTIAN COUNTY)
WATER DISTRICT TO PURCHASE WATER FROM) CASE NO. 2006-00068
BARKLEY LAKE WATER DISTRICT)

COMMISSION STAFF'S INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS TO
BARKLEY LAKE WATER DISTRICT

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Barkley Lake Water District ("Barkley Lake") file the original and 8 copies of the following information with the Commission within days of this request, 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 witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to Barkley Lake's Response to the Commission's Order of February 24, 2006, Appendix A, Item 5. Explain why Barkley Lake did not include the debt service cost and depreciation expense in calculations for the cost of production.

2. Barkley Lake has reported to the Commission that it incurred depreciation expense of \$333,825 for Calendar Year 2005.¹ State the amount of this expense that is associated with

- a. facilities used to produce water;
- b. facilities used to transport water.

3. Provide the calculations and state all assumptions used to derive the response to Item 2.

4. Barkley Lake reports Supply and Operations Expense of \$212,300 and Water Treatment Operations Expense of \$293,203 for Calendar Year 2005.² The sum of these two expenses produces a total water production cost of \$505,503. In its Response to the Commission's Order of February 24, 2006, Appendix A, Item 5, however, Barkley Lake states the total expense to produce water in Calendar Year 2005 was \$382,502. Explain the discrepancy.

5. Barkley Lake reports Purchased Power Expense of \$155,074 for Calendar Year 2005.³ In its Response to the Commission's Order of February 24, 2006, Appendix A, Item 5, however, Barkley Lake states the total purchase power expense (i.e., "electric bill") to produce water in Calendar Year 2005 was \$80,786. Explain the discrepancy.

¹ Annual Report of Barkley Lake Water District to the Public Service Commission for the Year Ended December 31, 2005 at 11.

² Id. at 28.

³ Id. at 28.

6. Barkley Lake reports debt service payments of \$289,098 for Calendar Year 2005.⁴

a. State the amount of these payments that are attributable to water treatment and supply facilities.

b. State the amount of these payments that are attributable to water transmission mains.

7. Refer to Barkley Lake's Response to the Commission's Order of February 24, 2006, Appendix A, Item 7. Describe how Barkley Lake determined that the cost of pumping water from its treatment plant is \$.10 per 1,000 gallons. This description should, at a minimum, list all the costs that are included in Barkley Lake's determination of the cost of pumping. Show all calculations and state all assumptions used to derive this amount.

8. In its Response to the Commission's Order of February 24, 2006, Appendix A, Item 7, Barkley Lake states that water must be pumped twice. Explain how Barkley Lake determined that the cost of pumping water from the pumping station to the point of delivery was also \$.10 per 1,000 gallons.

9. Refer to Barkley Lake's Response to the Commission's Order of February 24, 2006, Appendix A. For each response, state the name of the person(s) who prepared the response.

10. Refer to the Minutes of the September 12, 2005 Meeting of Barkley Lake's Board of Commissioners.

⁴ Id. at 23.

- a. Describe the results of the trial runs that were conducted to determine the effects of the proposed water sales on Barkley Lake's water pressures.
 - b. Provide all reports, studies, memoranda, and notes in which these trial runs were discussed.
 - c. Describe how the trial runs were conducted.
11. State whether Barkley Lake is currently selling water to the city of Cadiz, Kentucky. If yes, state the rate at which Barkley Lake is providing water and provide a copy of any contract between it and the city of Cadiz, Kentucky.



Beth O'Donnell
Executive Director
Public Service Commission
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DATED: May 31, 2006

cc: Parties of Record