

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE ADEQUACY OF )  
THE WATER SUPPLY OF MAGOFFIN COUNTY ) CASE NO. 2008-00443  
WATER DISTRICT )

COMMISSION STAFF'S FIRST SET OF INTERROGATORIES  
AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO  
THE CITY OF SALYERSVILLE, KENTUCKY

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that the city of Salyersville ("Salyersville") file the original and 6 copies of the following information with the Commission no later than December 10, 2008, with a copy to all parties of record.

Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or shall be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Salyersville shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any requests to which Salyersville fails or refuses to furnish all or part of the requested information, it shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Identify the persons who prepared and are responsible for Salyersville's Response to the Commission's Order of October 17, 2008.

2. Provide a map of Salyersville's water distribution system at a scale of at least one inch equals two miles, marked to show Salyersville's distribution system. This map shall show pipeline sizes, locations, and connections as well as pumps, water storage tanks, and sea level elevation points.

3. Refer to Salyersville's Response to the Commission's Order of October 17, 2008, Item 5.

a. Identify the person or persons who prepared the "City of Salyersville Water Shortage Response Plan."

b. State whether this plan has been updated since April 1996.

c. If the Water Shortage Response Plan has been updated, state the date(s) when revisions were made and provide a copy of each revision.

4. Provide a copy of Salyersville's most current water withdrawal permit from the Kentucky Division of Water.

5. For each of Salyersville's existing surface water treatment plants, state:

- a. The plant's location;
  - b. The water source for the plant; and
  - c. The plant's rated capacity.
6.
  - a. State the number and location of Salyersville's active water wells.
  - b. For each well, state its maximum daily capacity.
  - c. Provide all studies and reports regarding the capacity and service life of its water wells that Salyersville has commissioned or prepared.
  - d. List and describe all water quality problems that Salyersville has experienced since January 1, 2003 with water drawn from its active water wells.
7.
  - a. Describe the conditions under which Salyersville will withdraw water from its water wells to meet its system demand.
  - b. Provide all written operating procedures and manuals that govern the operation of Salyersville's wells.
8. Describe Salyersville's existing water storage capacity. For each storage facility, state:
  - a. Location;
  - b. Maximum capacity; and
  - c. Type (e.g., standpipe, elevated, clearwell).
9. Provide the findings and reports of all studies that Salyersville has commissioned, prepared, or been involved in that address the adequacy of Salyersville's water supply.

10. Provide the findings and reports of all studies that Salyersville has commissioned, prepared, or been involved in that address the adequacy of Salyersville's water facilities.

11. a. List each interconnection that Salyersville presently has with other water distribution systems.

b. For each interconnection, state the capacity of the interconnection (in gallons per day) and whether Salyersville has a contract to purchase water through the interconnection.

c. For each interconnection for which Salyersville presently has a contract to purchase water, provide a copy of that contract.

12. a. List all water distribution systems for which Salyersville has considered or studied the possibility of an interconnection.

b. For each system listed:

(1) Describe the actions that Salyersville undertook to study a possible interconnection.

(2) Provide a copy of all correspondence and other communication with the system in which interconnection was discussed.

(3) If Salyersville determined that an interconnection was not feasible or practical, state the reasons for this determination.

13. a. State whether Salyersville presently has any loan agreements with or has issued revenue bonds to Rural Development or its predecessors.

b. If yes, for each agreement:

(1) List the date of the agreement;

- (2) The amount of the loan;
- (3) The current amount owed on the loan; and
- (4) The expected date that the loan will be retired.

14. Refer to the Emergency Water Supply Agreement of October 13, 2008, between Salyersville and Paintsville Utilities Commission ("PUC").

a. State whether a connection between PUC and Salyersville presently exists.

b. If a connection exists, describe the current state of such connection. This description should address whether water can presently be obtained through this connection.

c. State whether Salyersville has procured a bond in the amount of \$10,000 to cover the cost of the emergency supply. If Salyersville has not yet procured a bond, state when Salyersville expects to procure such bond.

15. State all objections, if any, that Salyersville may have to Magoffin County Water District ("Magoffin District") contracting with PUC to purchase water on a regular, non-emergency basis.

16. Provide all correspondence between Salyersville and Magoffin District in which potential Magoffin District purchases from PUC are discussed.

17. State Salyersville's maximum daily demand and the date on which it was recorded.

18. For each calendar year from 2002 to 2007, state:

- a. Salyersville's maximum daily demand for the year;
- b. Salyersville's average daily demand;

c. Magoffin District's average daily purchases from Salyersville for the year; and

d. Magoffin District's maximum daily purchase from Salyersville for the year and the date on which maximum purchase occurred. (If information regarding actual daily purchases is unavailable, provide maximum monthly purchases and the months in which the purchases occurred.)

19. State the date, duration and reason for each boiled water advisory that Salyersville has issued since January 1, 2003.

20. State the date, duration and reason for each water shortage advisory that Salyersville has issued since January 1, 2003.

21. a. State each time period since January 1, 1996 during which Salyersville implemented water restrictions.

b. For each time period listed:

(1) State the reason for implementing water restrictions; and

(2) State the customer classes (e.g., retail, wholesale) that were subject to the restrictions.

22. Provide a copy of Salyersville's current ordinances of the Salyersville City Council related to water shortage response and water rationing.

23. a. State whether Magoffin District has formally accepted and agreed to implement Salyersville's water shortage response plan.

b. State the date of Magoffin District's acceptance and agreement.

c. Provide a copy of all written documents in which Magoffin District stated its acceptance and agreement to Salyersville's water shortage response plan.

24. Provide all correspondence and other written communication, including electronic mail messages, between Salyersville and the Division of Water since January 1, 1996 regarding Salyersville's water shortage response plan.

25. Provide a copy of Salyersville's current contract with Magoffin District for the sale of water.

26. Provide all correspondence and other written communication, including electronic mail messages, between Salyersville and Magoffin District since January 1, 2003, regarding the adequacy of Salyersville's water supply.

27. Provide the minutes of all meetings of the Salyersville City Council since January 1, 2003, in which the adequacy of Salyersville's water supply was discussed.

28. At its Response to Item 4 of the Commission's Order of October 17, 2008, Salyersville states that the quoted rate for purchased water from PUC "exceeds the cost Salyersville Water can charge Magoffin District by almost 50%." State whether Salyersville considered applying to the Commission for an adjustment in its wholesale rate to Magoffin District to recover any increased costs resulting from purchases of water from PUC. If no, explain why not.

29. List and explain the criteria that Salyersville will use to determine if purchases of water from PUC should be made.

30. a. State whether Salyersville is aware of the Regional Emergency Water Interconnection Plan ("Water Interconnection Plan") that Big Sandy Area Development District issued in April 2005.

b. If yes, state the actions, if any, that Salyersville took in response to the findings and recommendations contained in the Water Interconnection Plan.

31. a. State whether Salyersville's representatives or employees participated in preparation of the Water Interconnection Plan.

b. If yes, identify each representative or employee and his or her involvement in the plan's preparation.

32. Describe the purpose and the current status of the following projects for which Salyersville has sought funding from the Kentucky Infrastructure Authority:

a. WRIS Project No. WX21153516;

b. WRIS Project No. WX21153502;

c. WRIS Project No. WX21153501; and

d. WRIS Project No. WX21153512.

33. a. Describe the actions, if any, that Salyersville took to request and obtain Executive Order 2008-001056, which announced a state of emergency in Magoffin County.

b. Provide a copy of all correspondence and other written communications, including electronic mail messages, which Salyersville officials sent or received from state officials discussing a declaration of a state of emergency.

34. Provide a copy of the most recent version of the water supply plan for Magoffin County.

35. List all entities to which Salyersville provides wholesale water service.

36. Describe all discussions that Salyersville's officials have had since January 1, 2003 with other water utilities about obtaining an emergency source of supply of water.



37. a. Identify the person(s) responsible for the planning and operation of Salyersville's water distribution system. For each person listed, state his or her position with Salyersville.

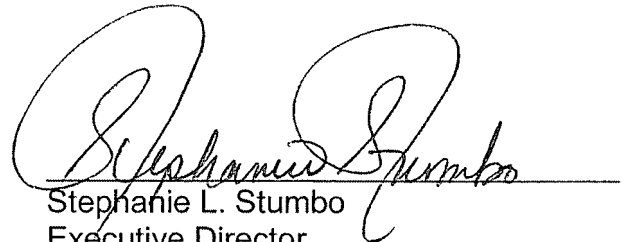
b. Identify the person(s) responsible for the negotiation of water supply contracts on behalf of Salyersville. For each person listed, state his or her position with Salyersville.

38. a. State whether, prior to October 13, 2008, Salyersville purchased water from PUC.

b. If Salyersville previously purchased water from PUC,

(1) Provide for each year since 1996 Salyersville's total annual purchases from PUC.

(2) State the reasons why Salyersville ceased purchasing water from PUC.



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DATED: NOVEMBER 26, 2008

cc: Parties of Record

Case No. 2008-00443