

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MOUNTAIN WATER DISTRICT)
TO INCREASE AND ESTABLISH CERTAIN) CASE NO. 2008-00508
NONRECURRING CHARGES)

COMMISSION STAFF'S SECOND SET OF INFORMATION
REQUESTS TO MOUNTAIN WATER DISTRICT

Mountain Water District ("Mountain District"), pursuant to 807 KAR 5:001, shall file with the Commission the original and eight copies of the information requested herein, with a copy to all parties of record, on or before June 15, 2009. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response 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, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Mountain District shall make timely amendment to any prior response 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 request to which

Mountain District 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 shall 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. a. State the number of Mountain District customers that are currently served through a pressurized sewer system.

b. State the number of Mountain District customers that are currently served through a gravity sewer system.

2. Refer to Mountain District's Response to Commission Staff's First Set of Information Requests, Item 3, in which Mountain District states that none of its customers are served through a 3/4-inch tap. If none of Mountain District's sewer customers are served through a 3/4-inch tap, explain why Mountain District has a sewer tap fee of \$700 for such connection in its filed rate schedules and why such a fee should continue.

3. In Case No. 1997-00112,¹ the Commission established a tap fee of \$750 for Mountain District's sewer system and has not directed or permitted a revision to this

¹ Case No. 1997-00112, The Application of Mountain Water District of Pike County, Kentucky, for a Certificate of Public Convenience and Necessity to Construct, Finance and Increase Rates Pursuant to KRS 278.023 (Ky. PSC Sept. 23, 1997).

fee since that proceeding. State why Mountain District's filed rate schedules do not reflect this fee, but instead reflect a tap fee of \$700.

4. Refer to Mountain District's Response to Commission Staff's First Set of Information Requests, Item 4. In its response, Mountain District states that the proposed tap fee includes the grinder station and "all other parts for installation of the grinder station."

a. State whether Mountain District considers the grinder station and all related parts to be the property of the water district. Explain.

b. State how Mountain District will account for depreciation on the grinder station and its related parts.

c. Assume that, after payment of the tap fee and extended use of the grinder station, the station fails and requires replacement. State whether Mountain District is responsible for the cost of replacement. Explain.

d. Assume that, after payment of the tap fee and extended use of the grinder station, the station requires repair. Identify the person or party that is responsible for the cost of the repairs. Explain.

5. State whether Mountain District takes the position that KRS 278.0152 authorizes the proposed tap fee. If yes, explain.



Jeff R. Derouen
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DATED: JUN - 5 2009

cc: Parties of Record

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