

MAPS AND Exhibits IN
Main File.

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KARL DAVID BRADLEY, JR.)
COMPLAINANT)
V.)
BATH COUNTY WATER DISTRICT)
DEFENDANT)

CASE NO. 2006-00163

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DEFENDANTS RESPONSE TO FIRST DATA
REQUESTS OF COMMISSION STAFF

Comes now the Defendant, Bath County Water District, and for its response to the First Data Request of PSC Commission Staff hereby states as follows:

- 1. See Map # 1 attached (Exhibit A).
- 2. See Map # 2 attached (Exhibit B). The referenced service area is in the vicinity of the end of the dotted lines near Cave Run Lake as depicted. Nearest facilities are shown. Bath Water does not have maps or information as to line sizes for Frenchburg lines.
- 3. Potential customers: 43.
- 4. Estimated cost: \$1,167,120 per construction cost estimate of O'Brien & Gere Engineers, Inc. attached (Exhibit C).
- 5. Attached hereto is a study prepared which examines 4 alternate proposals (Exhibit D) and City of Frenchburg study dated April 1994 (Exhibit E). Bath Water would note that in October 1997 the Kentucky Division of Water

imposed a line extension ban on Bath Water. The ban was not lifted until 2002.

6. The least restrictive proposal for Bath Water to extend water service to the area of the Complainant is as set out in Map # 2, which would require 59,000 lineal feet of 4 inch lines, a pump station, and water storage tank. Feasibility restrictions are as follows:
 - a. Cost. At a cost of \$1,167,120 to service 43 customers, without substantial grant funding the debt service for the project would significantly impact to rates system wide.
 - b. Right of Way. The proposed line would have to cross National Forest. Therefore permits and easements would have to be obtained from the Forestry Service.
 - c. Health Concerns. At 59,000 linear feet, the line will hold approximately 40,000 gallons of water. There are 43 proposed customers, the majority of which are vacation homes. Average residential use is 150 gallons per day. Therefore, it would take approximately 6 days to turn the water over in the line. The chlorine would dissipate. Thus, at a minimum the lines would have to be flushed often to keep chlorine residual up to the required level.
7. The local area development district office, Gateway Area Development District (GADD), is charged with developing long range water supply plans under the Kentucky Natural Resources and Environmental Protection Cabinet pursuant to KRS 151.114, KRS 151.116, and 401 KAR 4:220. Both Bath

Water and the City of Frenchburg are in the GADD district. GADD also provides assistance to both Bath Water and Frenchburg in obtaining funding and administering funds for utility projects. Prior to 2004 the Leatherwood project was proposed by Bath Water and listed on the three year plan list compiled by GADD. (See attached Cover Page Gateway Area Water Project List and page 7, Exhibit F) However, the project was never considered for funding when proposed by Bath County. In conjunction with the GADD Water Management Council, Bath Water and Frenchburg agreed that the Leatherwood project would be more feasible for the City of Frenchburg due to Frenchburg having lines closer to that area and the closest point for Bath Water to extend to Leatherwood is at a point where the water would be purchased from Frenchburg by Bath Water. Previously Frenchburg could not expand their system at all due to insufficient water. However, now Frenchburg is a member of the Cave Run Water Commission who last year went online with a 2 million gallon per day plant. Since 2004 Frenchburg has proposed the Leatherwood project as part of a project known as "1274 Waterline Extension Project," project number WX21165003. (See attached GADD Prioritized and Approved Project List December 2004, Exhibit G) Once proposed by Frenchburg the project was considered for funding in February of 2004, December of 2004 and March of 2005 by the Kentucky Legislature. Funding was denied each of those times. This project as initially proposed would construct water lines in areas of Menifee County on Route 1274, Myers Fork, Whites Road area, Clifton, Skidmore, Ratliff Road, Hog

Branch, and the Complainants Leatherwood area. The 1274 project was modified by Frenchburg in October of 2005 and Leatherwood was deleted. The project was then approved and funded by the legislature in March of 2006 by way a Coal Development Grant.

a. The aforementioned "1274 Waterline Extension Project" has received funding from Appalachian Regional Commission and the Kentucky Legislature Kentucky Coal Development Grant, and is awaiting approval from United States Department of Agriculture, Rural Development. However, Leatherwood was removed from the final project. Leatherwood was removed from the project October 2005 by Frenchburg. It is believed Leatherwood was removed from the project due to cost and right of way concerns.

b. Cost of the project is \$2,500,000.

c. Bath County is not involved in the project.

d. Upon completion of the project Leatherwood will not be served, as it was removed from the final project. Bath Water will be in no better position to serve Leatherwood upon the completion of the project than now.

However, this project will put Frenchburg facilities in extremely close proximity to the Leatherwood area.

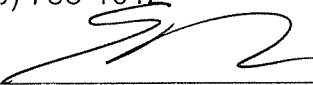
8. There is no understanding between Bath County and Frenchburg, other than outlined in response to Interrogatory number 7. Bath County, Frenchburg and other public utilities use the GADD in accordance with KRS 151.114 to coordinate water line extensions and as a source to obtain funding to extend

water lines to unserved areas. GADD coordinates the funding requests so as to not duplicate their efforts. It was determined that since Bath County had no success obtaining funding for Leatherwood, Frenchburg had facilities closer to the Leatherwood area, it was more cost effective for Frenchburg to serve the area, Frenchburg now had water to serve the area, and since the Leatherwood area was in Menifee County, not Bath County, that Frenchburg would seek the funding necessary to serve the area.

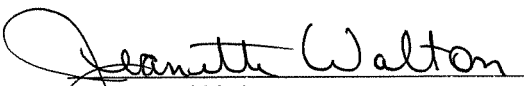
9. Bath County presently has no plans to serve the area.
10. Bath County's knowledge of other entities plans to serve the area is as outlined above.

Respectfully submitted,

Campbell, Rogers & Blair, PLLC
Attorneys at Law
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Morehead, KY 40351
(606) 783-1012

By: 
Earl Rogers III
Attorney for Defendant

I, Jeanette Walton, the undersigned, do hereby certify that I have read the foregoing Response to Data Request and that it is true and correct to the best of my present knowledge and belief.


Jeanette Walton

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing has been served on the Petitioner by mailing a copy of same to:

David Bradley
8845 Leather Wood Road
Salt Lick, KY 40371

Public Service Commission
PO Box 615
Frankfort, KY 40602

THIS the 28th day of July, 2006.



EARL ROGERS III