

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MURRAY NO. 3 WATER DISTRICT)	CASE NO.
FOR AN ORDER APPROVING A TRANSFER OF)	2014-00291
OWNERSHIP AND CONTROL)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO MURRAY NO. 3 WATER DISTRICT AND CITY OF MURRAY, KENTUCKY

Murray No. 3 Water District ("Murray Water District") and the city of Murray, Kentucky ("Murray") (collectively "Joint Applicants"), pursuant to 807 KAR 5:001, are to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due no later than ten days from the date of this request. 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 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.

Joint Applicants shall make timely amendment to any prior response if they obtain 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 Joint Applicants fail or refuse to furnish all or part of the requested information, Joint Applicants shall provide a written explanation of the specific grounds for the failure to completely and precisely respond.

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. Provide a copy of the executed Asset Acquisition Agreement referenced in paragraph 7 of the Amended Joint Application.

2. Refer to paragraph 3 of the Amended Joint Application. Provide a copy of Murray Water District's Resolution of Existence executed by Calloway County Fiscal Court.

3. Refer to paragraph 12 of the Amended Joint Application. Provide the following information for all certified water system and distribution operators employed by Murray as of the date of this request:

- a. Name;
- b. Job title;
- c. Specific operation classification;
- d. Qualifications; and
- e. License number.

4. Refer to paragraph 17 of the Amended Joint Application. State whether Murray Water District customers have received notice of the rate change contemplated pursuant to the proposed transaction.

a. If notice has been provided, explain how it was provided and produce a copy.

b. If notice has not been provided, will Murray provide notice to Murray Water District customers before the rate change goes into effect? If not, why not?

5. Refer to paragraph 19 of the Amended Joint Application. Provide a copy of the Comprehensive Annual Financial Report for the Fiscal year ended 2013, which the Application identifies as "Exhibit B" to the Application, but was not filed with the Application.

6. Refer to section 2(B), of the unsigned Asset Acquisition Agreement filed with the Application.

a. Identify the "system development charge" Murray intends to assess and collect to fund the proposed system development improvements.

b. What is the estimated cost for the system development improvements?

7. Refer to Exhibit B1 to the unsigned Asset Acquisition Agreement filed with the Application.

a. Confirm that none of Murray Water District's assets will be excluded from the proposed transfer.

b. If there are assets that will be excluded, describe the assets that will be excluded and explain why the assets will be excluded.

8. Refer to Exhibit P to the unsigned Asset Acquisition Agreement attached to the Application. Confirm that the rates and charges for water service to be provided by Murray to Murray Water District's customers as listed in Exhibit P are the proposed rates that will be in effect if the proposed transfer is approved by the Commission.

9. Refer to Exhibit P to the unsigned Asset Acquisition Agreement attached to the Application. Identify the surcharges Murray shall be permitted to charge customers for extraordinary costs and expenses it may be required to incur within one year of the date of the proposed transfer.

10. List all governmental agencies, other than the Commission, that must approve the proposed transfer. For each governmental agency, other than the Commission, whose approval is required, state:


- a. The nature of the approval that must be obtained;
- b. The date on which Murray Water District and/or Murray applied for such approval or expects to apply for such approval;
- c. The governmental agency's action on the application; and
- d. A copy of any written decision that the governmental agency has issued.

11. State the amount of customer deposits that Murray Water District is currently holding.

a. State whether these customer deposits will be refunded to Murray Water District customers before or after the proposed transfer of assets.

b. If no refund of Murray Water District customer deposits will occur, describe the actions that will be taken regarding these deposits.

12. State the number of customers to whom Murray provides water service.
13. State the number of customers that Murray Water District presently serves.
14. Provide a copy of all appraisals of the assets to be transferred that have been performed since January 1, 2010.
15. State the value at which Calloway County Property Valuation Administrator currently assesses Murray Water District's property that will be transferred to Murray.
16. Confirm that the legal name for "Water District #3" is Murray No. 3 Water District.
17. List and describe the nature of all legal actions in which Murray is a party and which involve its water operations.
18. Provide all correspondence between Murray and the Kentucky Division of Water regarding Murray's proposed acquisition of Murray Water District's assets.



Jeff Derouen
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DATED SEP 26 2014

cc: Parties of Record

Case No. 2014-00291

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