

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PRATER CREEK)
WATER DISTRICT: (1) FOR APPROVAL)
OF ITS INITIAL CONSTRUCTION)
PROJECT; (2) APPROVAL OF PROJECT) CASE NO. 9369
FINANCING; AND (3) APPROVAL OF)
INITIAL WATER SERVICE RATES AND)
CHARGES)

O R D E R

IT IS ORDERED that Prater Creek Water District ("Prater Creek") shall file an original and seven copies of the following information with the Commission with a copy to all parties of record by November 8, 1985. If the information requested or a motion for an extension of time is not filed by the stated date, the Commission may dismiss the case without prejudice. Prater Creek shall furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each item of information requested.

1. Plans and specifications for the proposed project were filed on September 27, 1985; however, they were not stamped with the Engineer's seal in accordance with KRS 322.340. Provide appropriate documents. (Note: only two copies are required.)

2. Provide the design criteria and related calculations used in sizing the proposed hydropneumatic station for

Rice Branch. This should include a copy of the pump manufacturer's characteristic (head/capacity) curve on which the design of the proposed pump for the hydropneumatic station was based.

3. The pressure recording chart filed on August 2, 1985, for the proposed connection point to the City of Prestonsburg's water system indicates that the normal pressure range is between 30 psig and 64 psig, with some extremes on either side. Explain the rationale for using 60 psig as the assumed starting point for the hydraulic analysis instead of a more conservative pressure.

4. It also appears when reviewing the pressure chart for the proposed connection to the City of Prestonsburg's water system that the potential exists for the pressure on Prater Creek's proposed system to fall below 30 psig due to low pressure from the City of Prestonsburg. Provide details of any preventive measures or additional construction that Prater Creek intends to perform to protect against this type of occurrence. Details should be documented by a complete hydraulic analysis and field measurements.

5. Provide a copy of the pump manufacturer's characteristic (head/capacity) curve on which Prater Creek's proposed pump's design was based.

6. Provide a narrative description of the proposed daily operational sequences of the water system. Documentation should include the methods and mechanisms proposed to

provide positive control of the proposed tank's water level. The narrative description should also include how the proposed tank will "work" (expected inflow and outflow of water and approximate times of day) and how all pumps will function. Any assumptions are to be fully supported by appropriate measurements and hydraulic calculations.

7. In response to No. 2, Item 2(g) of the Commission's July 18, 1985, deficiency letter, a hydraulic analysis of the proposed water system was filed on August 2, 1985. However, the hydraulic analysis filed does not appear to indicate all possible operating scenarios (i.e., pumps on, pumps off and customer demands being satisfied from the proposed tank and the connection to the City of Prestonsburg, etc.) If this information was previously filed, designate the location in the hydraulic analysis where it can be found. If not previously filed, provide hydraulic analyses, supported by computations and actual field measurements, of typical operational sequences of the proposed water distribution system. These hydraulic analyses should demonstrate the operation of all pump stations and the "empty-fill" cycles of all water storage tanks. Computations are to be documented by a schematic map of the system that shows pipeline sizes, lengths, connections, pumps, water storage tanks, wells, and sea level elevations of key points, as well as allocations of actual customer demands. Flows used in the analyses shall be

identified as to whether they are based on average instantaneous flows, peak instantaneous flows, or any combination or variation thereof. The flows used in the analyses shall be documented by actual field measurements and customer use records. Justify fully any assumptions used in the analyses.

8. The following are in reference to the proposed loan from the Farmers Home Administration ("FmHA") in the amount of \$323,000:

- a. Provide an amortization schedule for the proposed loan.
- b. When available, provide a copy of the bond ordinance for proposed bonds.

9. In calculating the proposed annual revenues, which rate schedule was applied, Prater Creek's projected schedule or the FmHA'S schedule?

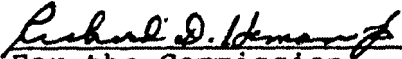
10. The following are in reference to item number 2f of the original application entitled, "estimated cost of operation (annual)":

- a. Provide the basis for the average monthly water usage of 4,000 gallons.
- b. Provide documentation or the basis for the projected utility expense in the amount of \$5,000.
- c. Provide a copy of the proposed management contract.

- d. Has Prater Creek sought alternative forms of management? If so, provide the details.
 - e. Provide a breakdown of what is included in the annual audit expense in the amount of \$1,000.
11. The following are in reference to the monthly breakdown of the "contract management costs":
- a. The breakdown infers that the water resources assistance corporation manages three separate water systems. Provide the names of the other two systems and if they are presently in operation.
 - b. Provide a comparative breakdown of the management costs separately for the three water systems and then in aggregate. (Use the same format as the breakdown provided for Prater Creek).
 - c. Provide the size of the other two water systems by the total number of customers each serves and by the total miles of line.
12. Has Prater Creek considered the option of requesting other water districts in the area to expand their service areas rather than forming a new district.
13. Provide a depreciation schedule for the proposed system.

Done at Frankfort, Kentucky, this 21st day of October, 1985.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary