

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SALT RIVER WATER DISTRICT AND KENTUCKY)
TURNPIKE WATER DISTRICT JOINT PETITION) CASE NO. 92-169
FOR APPROVAL OF MERGER AGREEMENT AND)
RETAIL RATE ADJUSTMENT)

O R D E R

IT IS ORDERED that Kentucky Turnpike Water District ("Kentucky Turnpike") shall file the original and 12 copies of the following information with the Commission with a copy to all parties of record no later than July 31, 1992. Kentucky Turnpike shall furnish with each response the name of the witness who will be available to respond to questions concerning each item of information requested should a public hearing be scheduled.

1. Refer to Item 4 of Kentucky Turnpike's response to the Commission's Order of July 22, 1992. Provide a description and/or list of all duplicative operational expenses that will be eliminated as a result of the merger. Be specific.

2. Refer to Item 21 of Kentucky Turnpike's response to the Commission's Order of July 22, 1992. Indicate who is responsible for maintaining the records of Kentucky Turnpike.

3. With regard to Kentucky Turnpike's relationship with the Louisville Water Company ("LWC"), provide copies of all correspondence with LWC relating to (i) the obligations of both Kentucky Turnpike and LWC upon termination of the lease agreement

and (ii) LWC's obligation or willingness to supply retail water service in areas not covered by the lease agreement.

After reviewing the information submitted by Kentucky Turnpike on August 3, 1992, in response to the Commission's Order of July 22, 1992, the Commission finds that Kentucky Turnpike has failed to completely and adequately respond to that Order. Therefore, the Commission HEREBY ORDERS AND COMPELS Kentucky Turnpike to provide no later than August 14, 1992 the information listed below that was not produced in Kentucky Turnpike's response of August 3, 1992.

1. Provide a proposed statement of revenues and expenses for the merged utility. Include adjustments and supporting documentation for items that will be eliminated or added as a result of the merger.

2. Provide a statement to reflect annualized revenues and expenses for 1991. Include workpapers or other documents that are sufficient to reconcile annualized operations to those reported in the 1991 audit.

3. Provide a trial balance as of December 31, 1991.

4. Provide a copy of the auditor's adjustments and workpapers to support the 1991 audited financial statements.

5. Provide copies of the minutes of board of commissioners meetings from January 1991 to present.

6. Provide a schedule of all rates and fees currently charged including non-recurring charges. State whether the rate

for a 6-inch connection is \$235.90 as shown in the application or \$262.86.

7. Provide a billing analysis for January through December 1991.

8. Refer to the prefiled testimony of Gerald Burke, Faye Crumbacker and Karen Smith, page 5.

a. State whether the services of LWC will be offered to the customers of the new Division 2 in the event merger is approved.

b. Clarify what engineering expertise and planning capabilities Division 2 will receive from LWC.

Done at Frankfort, Kentucky, this 7th day of August, 1992.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director