

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

COVERED BRIDGE UTILITIES INC.'S)
APPLICATION FOR A CERTIFICATE OF PUBLIC) CASE NO. 93-275
CONVENIENCE AND NECESSITY)

O R D E R

IT IS ORDERED that Covered Bridge Utilities Inc. ("Covered Bridge") shall file the original and 12 copies of the following information with the Commission with a copy to all parties within 10 days of the date of this Order. Covered Bridge 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. Explain fully why the existing 95,000 GPD treatment plant owned by Hayfield Utilities, Inc., which serves the Countryside Subdivision is being bypassed.

2. Will the existing treatment plant at Countryside Subdivision be retired? If not, explain what assets will continue in service.

3. Upon completion of the proposed expansion by Covered Bridge, will Hayfield Utilities thereafter provide any service and charge any rate to the residents of Countryside Subdivision? If yes, explain fully the nature of the service to be provided and the rate to be charged.

4. The existing treatment plant at Countryside Subdivision has the capacity to serve 238 customers but as of December 1992 was only serving 130 customers. Was this treatment plant designed to serve other subdivisions? If yes, which ones and why are they not connected to the Countryside treatment plant?

5. Are there any lots in Countryside Subdivision that are not connected to the existing treatment plant? If yes, explain fully.

6. The agreement between Covered Bridge and Developer Langan, Martin, and Keith ("LMK"), attached to the Application as Exhibit C, reflects a date of April 1990 and would require Covered Bridge to repay loans from LMK at 11 percent per annum. Since interest rates have declined substantially since that time, explain why the 11 percent rate has not been similarly reduced.

7. Does Covered Bridge intend to file a separate application pursuant to KRS 278.300 for approval of the financing contemplated by the Agreement with LMK or is such approval sought as part of this certificate application?

8. Since the proposed construction will effectively put Hayfield Utilities, Inc., out of business, provide documentation that Hayfield Utilities, Inc., has no objection to the construction proposed in this case.

9. Explain fully why the proposed construction was originally estimated to cost \$291,600 (Application, Exhibit C, page 2) but is now estimated to cost \$664,000 (Application, page 4).

10. When and by whom were the new pump station and force main constructed? What was the cost of these facilities and who paid for them?

11. What benefits, if any, will the customers of Covered Bridge receive as a result of the proposed construction? What benefits will the customers of Hayfield Utilities, Inc. receive?

12. Do you intend to charge a uniform rate or different rates among the three subdivisions to be served by Covered Bridge?

Done at Frankfort, Kentucky, this 14th day of October, 1993.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director