

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTON COUNTY WATER)	
DISTRICT NO. 1 (A) FOR AUTHORITY TO)	
ISSUE PARITY REVENUE BONDS IN THE)	
APPROXIMATE PRINCIPAL AMOUNT OF)	
\$7,315,000 FOR THE PURPOSE OF)	CASE NO. 94-056
REFUNDING BOND ANTICIPATION NOTES)	
AND FOR OTHER NEEDS; AND (B) NOTICE)	
OF AN ADJUSTMENT IN WATER RATES: AN)	
INCREASE OF APPROXIMATELY)	
\$1,834,000 EFFECTIVE MAY 1, 1994)	

O R D E R

IT IS ORDERED that Kenton County Water District No. 1 ("Kenton District") 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 14 days from the date of this Order. Where such information has previously been provided in the original application in the format requested herein, reference may be made to the specific location of this information in responding to this Order. Kenton District shall furnish with each response the name of the witness who will be available at the public hearing to respond to questions concerning each item of information requested.

1. Refer to Kenton District's Application, Exhibit G, page 4. Total payroll for 1993 is listed as \$2,931,589. Reconcile this amount with total salaries and wages of \$2,804,973 per page 30 of Kenton District's 1993 annual report (Exhibit C).

2. Refer to Kenton District's Application, Exhibit C, page 30. Total employee pensions and benefits expense for 1993 is

reported to be \$876,449. State the portion of that total expense that represents Kenton District's 1993 pension contribution.

3. Refer to Kenton District's Application, Exhibit G, pages 9 - 10. Provide the depreciable service lives for the 1994 plant additions.

4. Refer to Kenton District's response to the Commission's Order of May 3, 1994, Item 1(c). Provide the proposed rates for water hauler, fireline and fire hydrant services.

5. Refer to Kenton District's response to the Commission's Order of May 3, 1994, Item 1(b). Explain how the minimum charge was determined for the present and proposed rates for Hillcrest Trailer Park, International Permalite, Kenton County Airport and Newport Steel.

6. Refer to Kenton District's Response to the Commission's Order of May 3, 1994, Item 36, page 171. Explain how the factors of 113 and 260 were determined.

7. Refer to Kenton District's Response to the Commission's Order of May 3, 1994, Item 36, page 172. Explain how the factors for sales for resale were determined.

8. Refer to Kenton District's Response to the Commission's Order of May 3, 1994, Item 36, page 171. Explain the numbers 7, 579 and 9988 which appear under the column meter size.

9. Refer to Kenton District's Response to the Commission's Order of May 3, 1994, Item 36, page 170. Explain the numbers 1 through 8 which appear under the column "meter size" and next to the word "multi."

10. For each customer classification, list the number of meters for each connection size. This list shall reflect all adjustments set forth in Kenton District's Application, Exhibit G.

11. Refer to the service charges set out in Kenton District's Cost of Service Study. What consideration, if any, did Kenton District give to separating the customer costs into operation and business costs?

12. Refer to Prefiled Testimony of Dennis Willaman, page 5, Question 20.

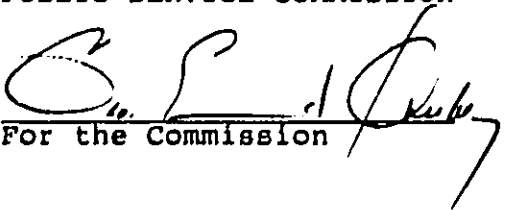
a. Identify the person or persons who made the "management decision."

b. Why did Kenton District's management choose not to use the rates produced by the cost of service study?

c. Explain Kenton District's position on moving toward cost based rates.

Done at Frankfort, Kentucky, this 23rd day of August, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director