

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF POTTER WATER)
SERVICE AND MOUNTAIN WATER DISTRICT FOR) CASE NO. 94-434
THE TRANSFER OF RESIDENTIAL WATER SERVICE)

O R D E R

IT IS ORDERED that Potter Water Service ("Potter") and Mountain Water District ("Mountain") shall jointly file the original and 6 copies of the following information with the Commission with a copy to all parties of record within 15 days from the date of this Order. Each response shall include 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. Provide a detailed description of the facilities to be constructed by Mountain to serve Potter's customers.

2. Provide time table and the estimated cost to construct the facilities described in response to Item 1, above.

3. Assess the economic feasibility for Mountain to construct transmission and distribution lines to serve Potter's 57 customers when annual revenues would probably not exceed \$15,000.

4. Will Mountain incur long-term debt to construct the distribution lines? If yes, state the amount and the type of financing currently anticipated.

5. Explain whether Mountain intends to recover the construction cost from all its ratepayers or only from Potter's customers.

6. Explain why Mountain is unable to utilize the existing Potter distribution system.

7. Does Mountain intend to charge Potter's customers a tap-on fee? If yes, how much per customer?

8. Will Potter be transferring its easement rights to Mountain? If no, explain: a) why Potter is retaining such rights; and b) the estimated cost to Mountain to acquire new easements.

9. Have Potter and Mountain entered into any agreement or understanding other than the Exhibit A to the application? If yes, provide copies.

10. Provide the accounting entries to be recorded on Mountain's book to reflect the acquisition of Potter's assets used to serve retail customers.

11. Provide the accounting entries to be recorded on Potter's books to reflect the sale or other disposition of the utility's assets.

12. Will the transfer to Mountain cause any interruption of service to Potter's customers? If yes, explain the reason and anticipated length of interruption.

13. Will any customer owned service lines need to be replaced as a result of the transfer? If yes, explain why.

14. Have any of Potter's customers paid a security deposit? If yes, explain whether the deposit will be refunded to the customer or transferred to Mountain.

15. Does Mountain intend to charge Potter's customers a security deposit? If yes, explain the amount of such deposit and how it will be calculated.

Done at Frankfort, Kentucky, this 21st day of December, 1994.

PUBLIC SERVICE COMMISSION


Robert M. Davis
For the Commission

ATTEST:



Executive Director