

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 AMOUNT OF \$14,402,000; (B))
A CERTIFICATE OF CONVENIENCE AND)
NECESSITY FOR THE CONSTRUCTION OF A NEW) CASE NO. 94-316
OHIO RIVER PUMP STATION AT A COST OF)
APPROXIMATELY \$13,400,000; AND (C))
NOTICE OF AN ADJUSTMENT OF RATES: AN)
INCREASE OF APPROXIMATELY \$1,778,000)
EFFECTIVE NOVEMBER 1, 1995)

O R D E R

IT IS ORDERED that Kenton County Water District No. 1 ("Kenton County") shall file the original and 10 copies of the following information with the Commission, with a copy to all parties of record, no later than February 3, 1995. Kenton County 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 Response to Item 17 of the Commission's Order of May 3, 1994 in Case No. 94-056.¹

a. For each group of funds identified as "Unrestricted Retained Earnings", explain in detail these funds' intended use.

¹ Case No. 94-056, 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 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.

b. Are unrestricted funds available for use to cover the cost of operations or capital projects?

2. Provide a detailed analysis of the retained earnings account as of December 31, 1994.

a. For all funds identified as unrestricted retained earnings, provide a detailed explanation of their intended use.

b. Are unrestricted funds presently available to cover the cost of current operations or capital projects?

3. Refer to Kenton District's Application, Exhibit G, page 2.

a. Provide a detailed analysis of the 1993 Operations and Maintenance expense for the existing Ohio River Pump Station.

b. Identify the items that are estimated to increase for the operation and maintenance of the new Ohio River Pump Station. Provide all workpapers and calculations used to derive these estimates.

4. Refer to Kenton District's Application, Exhibit G, page 1, and Exhibit H, page 5. Reconcile operating revenues of \$13,155,407, as shown in column (F) of Exhibit G, with proforma operating revenues of \$13,323,556 reflected in Exhibit H.

5. a. Describe the current status of Kenton District's litigation to enforce its water supply contracts with Campbell County Kentucky Water District.

b. Provide all pleadings which have currently been filed with Campbell Circuit Court in that proceeding.

6. Describe the current status of Kenton District's negotiations with the City of Newport to purchase that city's water production and distribution system.

7. a. Provide the pump manufacturer's characteristic (head/capacity) curve on which the design of the proposed raw water pumps is based.

b. Explain how the operation of the pumps will be controlled.


c. Provide the criteria used to select the proposed pumps and the engineering calculations used to verify the selection of the pumps.

Done at Frankfort, Kentucky, this 20th day of January, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:



Executive Director