

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED REVISIONS TO THE MAINLINE)
EXTENSION POLICY OF NORTHERN) CASE NO. 97-468
KENTUCKY WATER SERVICE DISTRICT)

O R D E R

IT IS ORDERED that Northern Kentucky Water Service District ("the District") shall file the original and 8 copies of the following information with the Commission within 14 days of the date of this Order, with a copy to all parties of record. Each copy of the information requested should be placed in a bound volume with each item tabbed. When several sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. Where requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this Order.

1. Refer to the District's proposed Tariff Sheet No. 15, Section XIV-A, Subsection 1.
 - a. Under the proposed tariff, is the District's payment of any portion of the cost of a water line extension contingent upon the availability of funds?
 - b. Explain the phrase "[w]hen funds are available."

c. (1) Under what circumstances would funds not be available?
(2) Who would decide that funds are available?
(3) What criteria would the District use to decide if funds are available?

d. Assume that the proposed tariff is approved and that funds are not available to the District's portion of the cost of a water line extension.

(1) Would applicants for service be required to pay the entire cost of the water line extension?

(2) If yes,

(a) What rights, if any, would applicants have for reimbursement?

(b) What time limitations, if any, would be placed upon the District's payment of its share of the water line extension costs?

e. Assume that the proposed tariff is approved, that several proposed water main extensions are pending, and that funds are not available to cover the District's portion of the cost of all extensions.

(1) Would the District delay reimbursement for all applicants until funds are available to reimburse all applicants?

(2) If the District immediately reimburses its portion of the costs of some of the proposed extensions but delays reimbursement for others, how would the District determine which proposed extensions would be immediately reimbursed and which extensions would await reimbursement?

2. Refer to the District's proposed Tariff Sheet No. 16, Section XIV-A, Subsection 2.

a. Under the proposed mainline extension policy, refunds to applicants will occur each year during the 5-year period following construction of the main extension. When during the year (e.g., anniversary date of construction) will the refund occur?

b. How will the District deal with refunds that are returned and for which a current address is never received?

3. Refer to the District's proposed Tariff Sheets No. 16 and No. 17, Section XIV-B.

a. Why is a determination of the availability of District funds necessary before approving a water line extension to a proposed real estate subdivision?

b. What effect, if any, would the nonavailability of funds have on the District's decision to approve a water line extension to a proposed real estate subdivision?

c. Explain the phrase "[w]hen funds are available."

d. (1) Under what circumstances would funds not be available?

(2) Who would determine that funds are available?

(3) What criteria would the District use to determine if funds are available?

e. Why should the District be released from any obligation to refund to an applicant the cost of 50 feet of the extension for customers within the real estate subdivision?

f. Why is 5 years an appropriate refund period?

g. Why is a 10-year refund period, as set forth in Administrative Regulation 807 KAR 5:066, Section 11(3), not an appropriate refund period?

h. How will the District deal with refunds that are returned and for which a current address is never received?

i. Under the proposed mainline extension policy, refunds to applicants will occur each year during the 5-year period after the water main extension is placed in-service. When during the year (e.g., anniversary of the in-service date) will the refund occur?

4. Refer to the District's proposed Tariff Sheet No. 17, Section XIV-C.

a. Is proposed Section XIV-C limited to residential customers and prospective residential customers?

b. How will the District determine "if there is enough homeowner interest to utilize Section XIV-A"?

c. (1) How did the District determine that applicants should pay a cost equal to the length of 100 feet of water line?

(2) Provide all workpapers, correspondence, internal memoranda and other relevant documents in which the prospective applicant's cost for extension is discussed.

d. (1) Under the proposed tariff, if additional customers connect to the water main within 5 years of its placement into service, will these customers also be required to pay a cost equal to the length of 100 feet of water line?

(2) If yes, why did the District select a 5-year period?

e. How will the District deal with refunds that are returned and for which a current address is never received?

5. Provide the minutes of all meetings of the District's Board of Commissioners in which the proposed tariff revisions were discussed.

Done at Frankfort, Kentucky, this 13th day of March, 1998.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director