

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF THE )  
KENTUCKY TURNPIKE WATER DISTRICT AND ) CASE NO. 98-398  
THE IMPOSITION OF AN IMPACT FEE )

O R D E R

IT IS ORDERED that Kentucky Turnpike Water District ("Kentucky Turnpike") shall file the original and 8 copies of the following information with the Commission by October 19, 1998, with a copy to all parties of record. Each copy of the requested information should be placed in a bound volume with each item tabbed. When a number of 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. For what division(s) is Kentucky Turnpike applying for a rate adjustment?
2. Provide Kentucky Turnpike's current purchased water contract with the Louisville Water Company.
3. Provide the purchased water invoices from Louisville Water Company for the 1997 test year.

4. Refer to Kentucky Turnpike's Application, Paragraph 8(a)(1). Explain how the average residential usage of 4,523 gallons was determined. Provide all calculations and state all assumptions used.

5. Provide Kentucky Turnpike's wholesale water contract with North Nelson Water District.

6. Refer to Kentucky Turnpike's Application, Paragraph 8(a)(4).

a. Why will Kentucky Turnpike be supplying 15 less commercial customers?

b. Explain how the average commercial usage of 23,351 gallons was determined. Provide all calculations and state all assumptions used.

7. For each outstanding debt or loan (including the current Cedar Grove Road Loan):

a. Provide an amortization schedule and state its debt service requirements for all outstanding debt of Kentucky Turnpike.

b. Describe the purpose for which the debt was incurred.

c. Provide the debt instrument.

8. Provide a projected amortization schedule for the permanent financing that Kentucky Turnpike will retain to replace the short-term loan for the Cedar Grove Road Line.

9. Refer to Kentucky Turnpike's Application, Paragraph 8(a)(6). Provide the invoices for the legal and financial expenses incurred in connection with "pending PSC proceedings and the current Application." Each invoice shall be clearly marked with the case number of the PSC proceeding for which it was incurred.

10. Refer to Kentucky Turnpike's Application, Appendix 4.
  - a. What is (are) the source(s) of Interest Income of \$20,407.00?
  - b. May this interest income be used to meet on-going operation expenses?
  - c. List any restrictions that may exist on the use of this income and state what portion of the income is subject to that restriction.
11. Provide Kentucky Turnpike's General Ledger, Cash Disbursements Journal, and Cash Receipts Journal.
12. Provide the accountant's year-end adjustments and a reconciliation of the 12/31/97 trial balance to the audited financial statements.
13. Refer to Kentucky Turnpike's Application, Appendix 7 at 7. List all estimates and assumptions that management made and that are reflected in the audited financial statements.
14. Describe the Cedar Grove Road project. Include in this description the total cost of the project and list all sources of funds used to finance the project.
15. Refer to Testimony of F. Raymond Abell at 3.
  - a. When does Kentucky Turnpike anticipate filing an application for a certificate of public convenience and necessity to construct the proposed line upgrade and pump station at Gap in Knob?
  - b. From what source(s) will Kentucky Turnpike obtain the funds to finance this project?

c. How did Kentucky Turnpike determine that the cost of the proposed project is \$500,000? Provide all calculations and state all assumptions used to reach this estimate.

16. Refer to Kentucky Turnpike's Application at 2-3.

a. Define the phrase "customer participation project" as the term is used to describe the Cedar Grove Road line.

b. Has the Commission approved the \$2,550 fee for service that Kentucky Turnpike requires of all Cedar Grove Road line customers?

c. (1) Is Kentucky Turnpike's current extension line policy, as it relates to the Cedar Grove Road line, the same as set forth in Administrative Regulation 807 KAR 5:066, Section 11?

(2) If no,

(a) Has Kentucky Turnpike amended its filed rate schedules to reflect this policy?

(b) Has Kentucky Turnpike filed its contracts with the 43 customers with the Commission as special contracts?

17. Refer to Kentucky Turnpike's Application at 9-10.

a. Did Kentucky Turnpike consider amending its tap-on fee to charge for excessive rock removal instead of charging the actual cost to each residential customer?

b. When preparing its proposed tap-on fee, what efforts, if any, did Kentucky Turnpike undertake to review similar fees of other water utilities subject to Commission jurisdiction?

c. Is Kentucky Turnpike aware that other water utilities subject to Commission jurisdiction when assessing a tap-on fee charge for excessive rock removal instead of charging the actual cost to each residential customer?

d. What is Kentucky Turnpike's position on amending its tap-on fee to charge for excessive rock removal instead of charging the actual cost to each residential customer?

18. How did Kentucky Turnpike determine the current rate of \$100 per month for Bernheim Forest?

19. Provide Bernheim Forest's monthly usage for each month of the test year.

20. What size of water meter is used to provide water service to Bernheim Forest?

21. Why is Kentucky Turnpike not proposing any change to the rate to Bernheim Forest?

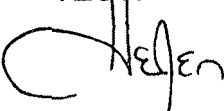
22. What is the wholesale rate that Kentucky Turnpike proposes to charge to North Nelson Water District?

23. Is Kentucky Turnpike currently providing service to North Nelson Water District?

Done at Frankfort, Kentucky, this 5th day of October, 1998.

PUBLIC SERVICE COMMISSION

ATTEST:

  
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Executive Director

  
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For the Commission