

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE CONTRACT FILING OF KENTUCKY TURNPIKE)
WATER DISTRICT WITH CUSTOMERS LOCATED IN) CASE NO. 99-048
THE CEDAR GROVE ROAD AREA FOR THE)
SUPPLY OF WATER)

ORDER

IT IS ORDERED that Kentucky Turnpike Water District ("Kentucky Turnpike") shall file the original and 8 copies of the following information with the Commission within 20 days 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 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. When the 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. When applicable, the requested information should be provided for total company operations and jurisdictional operations, separately.

1. a. What is the total cost of the Cedar Grove Road Transmission Main?
- b. List the individual components of the Cedar Grove Road Transmission Main (e.g., legal fees, engineering services, etc.) and state their cost.

2. Provide the minutes of each meeting of Kentucky Turnpike's Board of Commissioners in which the Cedar Grove Road Transmission Main was discussed.

3. Provide all internal memoranda, correspondence and similar documents in which Kentucky Turnpike or its officers or employees discuss how the Cedar Grove Road Transmission Main should be financed.

4. a. What methods of financing the cost of the Cedar Grove Road Transmission Main, other than customer contributions, did Kentucky Turnpike consider?

b. For each method listed above, explain why this method was not used.

5. Explain how the customer contribution of \$3,000 was determined. Show all calculations and state all assumptions that Kentucky Turnpike used to derive this amount.

6. Provide all literature, brochures, information sheets or similar documents that Kentucky Turnpike provides to its prospective customers to explain the required contribution for the Cedar Grove Road Transmission Main.

7. Provide a schedule that shows the following information:

a. The name of each customer who has executed a customer agreement.

b. Each customer's address.

c. The amount of each customer's contribution pursuant to the agreement.

d. The date of payment.

e. The date of the customer agreement.

f. A description of how the customer is connected to the Cedar Grove Road Transmission Main (i.e., direct connection or connection to a lateral main that is connected to the Cedar Grove Road Transmission Main).

8. Provide a map that shows the location of the Cedar Grove Road Transmission Main and the customers who have entered agreements with Kentucky Turnpike.

9. a. Does the Cedar Grove Road Transmission Main serve any wholesale customers? If yes, identify the customers and the amount of water that each wholesale customer is obligated to purchase from Kentucky Turnpike.

b. For each wholesale customer identified in Item 9(a), state the contribution that it has made toward the cost of the Cedar Grove Road Transmission Main.

10. a. How many customers, based upon the proposed contribution amount, must subscribe to service from the Cedar Grove Road Transmission Main for Kentucky Turnpike to recover the full cost of the transmission main?

b. How many customers, as of the date of this Order, had paid the proposed contribution amount?

c. What is the total amount that Kentucky Turnpike has collected from customer contributions for the Cedar Grove Road Transmission Main?

11. Provide the plans and specifications for the Cedar Grove Road Transmission Main. If Kentucky Turnpike provided these documents in a prior Commission proceeding, identify the proceeding.

12. What, if any, actions did Kentucky Turnpike take to determine the number of potential customers for water service from the Cedar Grove Road Transmission Main?

13. How long does Kentucky Turnpike intend to require customer contributions from those connecting to the Cedar Grove Road Transmission Main?

14. a. Assuming that the proposed customer contribution is approved and Kentucky Turnpike collects more than the cost of the Cedar Grove Road Transmission Main, will refunds be made to customers who have contributed to the main's cost?

b. (1) If yes, describe how refunds will be made.

(2) If no, explain why not.

15. Administrative Regulation 807 KAR 5:066, Section 11, currently permits a water utility to require contributions toward the cost of a main extension only from those connecting directly to the main extension and not to extensions or laterals therefrom.

a. Does Kentucky Turnpike intend to require customer contributions from those connecting to a lateral main that is connected to the Cedar Grove Road Transmission Main?

b. If yes,

(1) Explain why such customers should be required to make contributions toward the cost of the Cedar Grove Road Transmission Main.

(2) Explain how such an action is consistent with Administrative Regulation 807 KAR 5:066, Section 11.

16. How has Kentucky Turnpike financed the construction of the Cedar Grove Road Transmission Main?

17. In Case No. 98-398,¹ the Commission, when establishing new rates for water service to Kentucky Turnpike s Division II customers, included in its calculations the debt service coverage requirements for revenue bonds to finance a portion of the costs of the Cedar Grove Road Transmission Main. As all of Division II s customers are contributing toward the cost of the Cedar Grove Road Transmission Main, why should persons connecting to the main be required to pay an additional contribution toward the main s cost?

18. Has Kentucky Turnpike Water District obtained a Certificate of Public Convenience and Necessity for the Cedar Grove Road Transmission Main? If no, explain why not.

19. a. Does Kentucky Turnpike intend to amend its tariff to reflect the proposed customer contribution and all other conditions of service regarding connects to the Cedar Grove Road Transmission Main?

b. (1) If yes, provide the proposed tariff revisions.

(2) If no, explain why not.

Done at Frankfort, Kentucky, this 25th day of August, 1999.

By the Commission

ATTEST:

Executive Director

¹ Case No. 98-398, An Adjustment of Rates of the Kentucky Turnpike Water District and the Imposition of an Impact Fee (June 30, 1999) at 10 11.