

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MUD CREEK WATER)	
DISTRICT AND BEAVER ELKHORN WATER)	CASE NO. 99-375
DISTRICT FOR APPROVAL OF MERGER)	
AGREEMENT)	

ORDER

IT IS ORDERED that Mud Creek Water District and Beaver Elkhorn Water District ("Joint Applicants") shall file the original and 8 copies of the following information with the Commission within 20 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 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.

1. Identify each member of Joint Applicants Boards of Commissioners and state when each member s current term of appointment will expire.
2. List the name and state the position of each person who the Joint Applicants currently employ.

3. a. Explain why Southern Water and Sewer District (Southern District) will be organized into two divisions.

b. State the Joint Applicants intentions regarding the merger of the 2 divisions. If the eventual merger of these divisions is contemplated, when is such merger expected?

4. State the Joint Applicants intentions regarding a unified rate for Southern District customers. If Joint Applicants intend Southern District to have a unified rate eventually, when do they expect the merged water district to propose such rate to the Commission?

5. Provide all studies that the Joint Applicants prepared, commissioned, or participated in and that address the proposed merger.

6. a. Identify the areas of operation and management where the merger of the Joint Applicants water distribution systems will produce economies of scale and lower operating costs.

b. State the expected lower operating costs that will result from the proposed merger.

7. State whether one person will be in charge of the day-to-day operations of both divisions of the merged district.

8. a. Describe the sewer service that each Joint Applicant currently provides.

b. Describe the Joint Applicants intentions regarding the provision of sewer service.

9. Describe the Joint Applicants long-range plans, if any, for operating Southern District.

10. Identify any immediate improvements or changes in operation and management that Southern District intends to implement upon completion of the proposed merger.

11. Describe the circumstance that led the Joint Applicants to agree to the proposed merger.

Done at Frankfort, Kentucky, this 21st day of October, 1999.

By the Commission

ATTEST:

Executive Director