

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF WEBSTER COUNTY WATER) CASE NO.
DISTRICT TO ADD A LEAK ADJUSTMENT POLICY) 2000-423

COMMISSION STAFF'S INTERROGATORIES AND
REQUEST FOR PRODUCTION OF DOCUMENTS

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Webster County Water District ("Webster District") file the original and 8 copies of the following information with the Commission within 21 days of this request, with a copy to all parties of record. Each copy of the information requested shall 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 request.

1. Identify the person or persons who proposed the concept embodied in the proposed leak adjustment policy and state each person's position with Webster District.
2. Identify the person or persons who designed the proposed leak adjustment policy and state each person's position with Webster District.

3. What actions, if any, did Webster District take to investigate potential customer interest in the proposed leak adjustment policy?

4. In developing its proposed leak adjustment policy, did Webster District discuss the proposed policy with persons not employed by the water district (e.g., Kentucky Rural Water Association officials, a professional engineer, Kentucky Division of Water officials)? If yes, state the name and position of each person with whom the proposed policy was discussed.

5. Provide the minutes of each meeting of Webster District's Board of Commissioners in which the proposed leak adjustment policy was discussed.

6. Have any Webster District customers requested a policy similar to the proposed leak adjustment policy? If yes, state the number of customers who have requested such a policy and provide all documents (e.g., correspondence, internal memoranda, minutes of meetings, employee notes) in which these requests are discussed.

7. Refer to the Proposed Leak Policy, Section A.

a. Define "unintentional cause of leak."

b. Would an "unintentional cause of leak" include any incident where the leak was the result of negligence?

8. Refer to the Proposed Leak Policy, Section B.

a. Why is 6-month previous consumption average used to determine the amount of any adjustment?

b. Why is "\$50 in usage" used to determine the "leak amount"? What does the \$50 in usage represent?

c. Why, when determining the “leak amount,” is the “amount exceeding average plus \$50 in usage” divided by 2?

9. a. How did Webster District determine that \$8,500 in leak adjustments occurred in 1999?

b. Provide all documents, show all calculations, and state all assumptions used to derive this estimate.

10. What is Webster District’s current cost to produce 1,000 gallons of water? Show all calculations and state all assumptions used to derive this cost.

11. Provide the calculations, including mathematical formulas, used to determine that:

a. A charge of \$6.80 will cover total water losses of \$8,500.

b. A charge of \$6.50 will cover water losses greater than \$50.

c. A charge of \$5.60 will cover water losses greater than \$100.

12. In its submission, Webster District states that the total cost of leak adjustments in 1999 was \$6,347.61. Why was \$8,500 used to derive the leak adjustment charge?

13. How many customers does Webster District estimate will participate in the program? Explain how this estimate was derived.

14. How does Webster District intend to advertise the availability of the leak policy option?

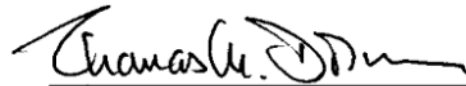
15. If Webster District fails to recover the cost of water lost by customers covered under the proposed leak adjustment policy through the proposed leak

adjustment charge, what actions does it intend to take to ensure the non-participants in the program do not subsidize the policy?

16. a. Define residential customers.

b. Why does Webster District propose to limit the application of the proposed leak adjustment policy to residential customers only?

17. Why does Webster District limit a customer's option to select coverage under the leak adjustment plan to one time annually?



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DATED: 11/27/2000

cc: Parties of Record