

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF HENRY COUNTY WATER)
DISTRICT NO. 2 TO ADD TARIFF LANGUAGE) CASE NO. 2001-00393
FOR AN OFFSETTING IMPROVEMENT CHARGE)

COMMISSION STAFF S INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS
TO HENRY COUNTY WATER DISTRICT NO. 2

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Henry County Water District No. 2 (Henry District) file the original and 8 copies of the following information with the Commission within 20 days of the date of this request, 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.

1. Provide the minutes of each meeting of Henry District s Board of Commissioners in which the proposed offsetting improvement charge was discussed.
2. Provide the ordinance of Henry District s Board of Commissioners in approving the proposed offsetting improvement charge. If no ordinance was enacted, then provide the minutes of the meeting of the Board of Commissioners in which a resolution authorizing the filing of the proposed improvement charge was adopted.
3. State when Henry District s Board of Commissioners approved the proposed offsetting improvement charge.

4. Identify the persons who were involved in the preparation of the proposed offsetting improvement charge and state each person's position with Henry District.
5. Explain why the proposed offsetting improvement charge is necessary.
6. In his letter of November 2, 2001, D. Berry Baxter refers to an example that illustrates the engineering method used to evaluate and offset impact. This example was not included in the letter. Provide the example.
7. Provide a map of Henry District's territory that indicates the areas for which Henry District has certified water availability.
8. State why subdivisions for which Henry District has already certified water availability should not be assessed the proposed offsetting improvement charge.
9. Define unserved lot.
10. The proposed offsetting improvement charge rate schedule defines development as any proposed commercial or industrial use of land. Explain why the proposed charge will apply to owners of land tracts used for commercial or industrial purposes regardless of whether Henry District previously served the land tract while it will apply to the owners of other tracts of land only if the tract was previously unserved.
11.
 - a. Define minimum daily water pressures.
 - b. Describe how minimum daily water pressure will be determined.
12. State the amount of the proposed offsetting improvement charge if the proposed charge were approved as of the date of this request. Show all calculations, state all assumptions, and provide all workpapers used in the calculation and development of this amount.
13. Explain why the proposed offsetting improvement charge rate schedule does not contain the current charge for one gallon per minute of peak flow.

14. The proposed offsetting improvement charge rate schedule states: The cost of these offsetting improvements, per unit of peak flow in gallons per minute, shall be calculated biennially by the District's accountant and engineer as the average cost per unit of peak flow resulting from all hydraulic improvement projects evaluated during the preceding four years.

a. Explain why the proposed offsetting improvement charge is recalculated biennially, not annually.

b. Define all hydraulic improvement projects evaluated. Does this category include projects that have not been constructed? If yes, describe how the cost of these evaluated improvement projects will be determined.

c. Explain why a 4-year period was used.

15. State whether Henry District, when completing its biennial review, intends to advise the Commission of the results of that review and revise the proposed offsetting improvement charge rate schedule to reflect those results.

16. Explain how Henry District determined that a residential development should be assessed a charge based upon one gallon per minute of peak flow per lot.

17. The proposed offsetting improvement charge rate schedule requires a specific engineering analysis of the peak flow of any commercial or industrial development.

a. Who performs this analysis?

b. Who assumes the cost for this analysis?

18. The proposed offsetting improvement charge rate schedule requires a Preliminary Hydraulic Analysis of each development to identify offsetting improvement projects.

a. Is this analysis different from the specific engineering analysis of the peak flow required of commercial and industrial developments?

b. Who performs this analysis?

c. Who bears the cost of this analysis?

19. The proposed offsetting improvement charge rate schedule states that the proceeds of the proposed charge shall be used only for water line improvement projects which improve hydraulic conditions in the distribution system.

a. State whether any proceeds from the proposed offsetting improvement charge may be used for additional water production or transmission improvements.

b. State whether any proceeds from the proposed offsetting improvement charge may be used for water storage facilities.

c. Describe the types of improvements included in water line improvement projects.

20. The proposed offsetting improvement charge rate schedule provides: The District shall not certify water availability on final plats until the Offsetting Improvement Charge for the entire subdivision has been received.

a. To whom is Henry District certifying water availability?

b. Explain why it is reasonable to refuse certification of the availability of water until payment of the proposed charge is made.

c. Explain why the required payment should not be required at a later date (e.g., connection of the development's distribution facilities to Henry District's facilities).

d. Assume that a plat is certified, but the proposed development is not constructed. State whether Henry District will refund the proposed offsetting improvement charge.

e. State whether Henry District is required to certify water availability for individual lots that are not part of a real estate subdivision development. If yes, state why Henry District proposes to distinguish between the developers of individual lots and real estate subdivisions.

21. Describe the conditions, if any, under which Henry District will make a refund of all or a portion of the proposed offsetting improvement charge.

22. The proposed offsetting improvement charge rate schedule requires Henry District to submit an accounting of all expenditures from a proposed escrow account. Describe the information that such an accounting will contain.

23. a. State whether, under the proposed offsetting improvement charge rate schedule, Henry District is required to construct the offsetting improvement project that is identified by the Preliminary Hydraulic Analysis.

b. If yes, state when the construction of the offsetting improvement project must occur.



Thomas M. Dorman
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DATED: January 28, 2002

cc: Parties of Record