

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF THE CITY OF	)	
LAWRENCEBURG, KENTUCKY, AND THE	)	
ALTON WATER AND SEWER DISTRICT FOR	)	CASE NO.
APPROVAL OF THE SALE OF ASSETS OF THE	)	2002-00140
ALTON WATER AND SEWER DISTRICT TO	)	
THE CITY OF LAWRENCEBURG	)	

COMMISSION STAFF'S FIRST SET OF INTERROGATORIES  
TO THE CITY OF LAWRENCEBURG AND THE ALTON  
WATER AND SEWER DISTRICT

The city of Lawrenceburg ( Lawrenceburg ) and the Alton Water and Sewer District ( Alton ) (collectively Applicants ), on or before June 7, 2002, shall file with the Commission the original and eight copies of the following information, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When more than one page is required for an item, each page shall be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided in the format requested herein, reference may be made to the specific location of said information in responding to this information request. The Applicants shall include in each response the name of the individual(s) who provided the information needed or responded to the data request.

1. Please furnish a copy of the Agreement between Alton and Lawrenceburg (the Agreement ), Exhibit 2 to the Application, with each exhibit referenced in the Agreement identified, tabbed and attached.

2. Several documents are attached to the application that do not appear to be referenced in either the application or the Agreement. Please identify each such document, provide a brief description of its contents, and state the purpose for which it is offered.

3. Paragraph 4 of the Agreement provides that Alton shall convey all property to (Lawrenceburg) free of any encumbrances excepting only those that it has informed (Lawrenceburg) in writing are in existence. With respect to that provision:

a. Please clarify whether that conveyance will be made pursuant to the Agreement attached to the application, or to a separate agreement and for additional consideration.

b. As a part of that conveyance will Lawrenceburg assume the debt or other obligation secured by the encumbrances on each item?

c. If the list of the items referred to in paragraph 4 of the Agreement is not contained in Exhibit B to the Agreement to be provided in response to these interrogatories, please provide the list. Furthermore, with respect to each item, to the extent the following information is not included in Exhibit B or the list, describe the encumbrance, including the balance of any debt secured by the encumbrance and the terms of payment of the debt.

4. Paragraph 5 of the Agreement states that Lawrenceburg shall assume all debts and accounts payable of Alton and refers to a writing listing them, which it

identifies as Exhibit C to the Agreement. If the information is not contained in Exhibit C to the Agreement to be provided in response to these interrogatories, please provide the list of the debts and accounts payable. Furthermore, with respect to each debt or account payable, to the extent that the following is not included in Exhibit C or the list, please provide the balances owed and the terms of payment, if any.

5. Paragraph 14 of the Agreement states that the City agrees, for a period of thirty (30) years, to charge customers in Alton's service territory the same rate charged to customers within the corporate limits of the City. After the 30-year period expires, how will Lawrenceburg determine the rates for customers in Alton's service territory?

6. Alton's 2001 annual report for its water division shows a customer deposit balance at December 31, 2001 of \$24,510.

a. Provide the last payment date of interest on customer deposits by Alton.

b. What is Lawrenceburg's policy regarding customer deposits?

7. On June 28, 2001, in Case No. 2001-00177,<sup>1</sup> the Commission granted Alton a Certificate of Public Convenience and Necessity to construct and finance a \$607,000 water system extension.

a. What is the status of this project?

b. What affect will the proposed transfer have on this project?

8. Concerning the operation and management of Lawrenceburg's water system and its sewer system, please provide the following information:

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<sup>1</sup> Case No. 2001-00177, Application of the Alton Water District For a Certificate of Public Convenience and Necessity to Construct and Finance Pursuant to the Provisions of KRS 278.023.

a. When did Lawrenceburg begin operation of its water system and when did it begin operation of its sewer system?

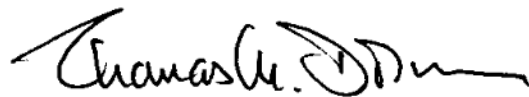
b. How many persons are employed in each system?

c. How many job classifications are there in each system? Provide a brief description of each that includes the qualifications necessary for employment in the classification.

d. Paragraph 5 of the Application refers to seven certified operators in each system. With respect to each certified employee, please provide the identity of the agency that issued the certification and the title of the certification issued.

9. Since Lawrenceburg is not adopting the rates Alton currently charges its customers for water and sewer service, are the Applicants requesting a waiver from 807 KAR 5:011, Section 11, on the grounds set forth in the letter dated May 6, 2002 from their attorney?

10. Before it may be approved, KRS 278.020(5) requires that any transfer of ownership or control of a utility must be made in accordance with the law, for a proper purpose and be consistent with the public interest. Do the Applicants contend that the proposed transfer from Alton to Lawrenceburg satisfies these requirements and, if so, please state the facts relied upon to support such contention.



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Thomas M. Dorman  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602

Dated: May 30, 2002

cc: All Parties of Record