

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF	)	
WILLABROOK SANITATION, INC.	)	
AND BULLITT COUNTY	)	CASE NO. 2002-00167
SANITATION DISTRICT FOR	)	
AN ORDER APPROVING	)	
TRANSFER OF ASSETS	)	

COMMISSION STAFF S FIRST DATA REQUEST  
TO WILLABROOK SANITATION, INC.  
AND BULLITT COUNTY SANITATION DISTRICT

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Willabrook Sanitation, Inc. ( Willabrook ) and Bullitt County Sanitation District ( Bullitt County ) submit the original and 10 copies of the following information and documents to the Commission, with a copy to the Attorney General s Office of Rate Intervention, no later than June 20, 2002. Include with each response the name of the witness responding to the questions.

1. In Item 2 of the application, Bullitt County bases its decision to lease rather than purchase the plant site upon Bullitt County s belief that a 20-year ground lease will allow Bullitt County sufficient time to develop a regional facility. However, in Item 13 of the application, Bullitt County indicates that it has not yet developed a regional plan and that construction of a regional treatment facility is only one of several alternatives. Does Bullitt County have a contingency plan in place to provide service to

Willabrook customers in the event that a regional treatment facility has not been constructed at the end of the 20-year ground lease?

2. Under Section 8(b) of the ground lease, Bullitt County bears the responsibility of removing all improvements (excluding underground pipes), including restoration and clean-up of the lagoon, when the lease expires. Bullitt County must conduct this removal in accordance with all applicable state and federal environmental statutes and regulations. What is the estimated liability associated with this removal and restoration obligation?

3. According to the annual reports filed with the Commission, Willabrook has experienced a net loss every year of its operation. The net losses reported for 2001, 2000, and 1999 were \$168,122, \$82,953, and \$37,659, respectively.

a. What type of financial analysis has Bullitt County conducted to determine whether it can operate the wastewater system in an economically feasible manner?

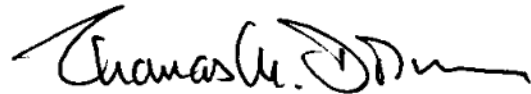
b. Provide a copy of any evaluations Bullitt County has performed regarding the economic feasibility of operating the system.

c. Does Bullitt County have any plans to request a rate increase if it acquires the wastewater system?

4. In Item 13 of the application, Bullitt County expresses its belief that the wastewater system can be expanded to a capacity of one million gallons per day. How is this expansion an economically feasible approach to serving the area if Bullitt County will have to remove the treatment facilities and restore the site in accordance with

applicable state and federal environmental statutes and regulations when the lease for the plant site expires?

5. What financial investment must Bullitt County make to improve the operation of the wastewater system to a level sufficient for the Division of Water to lift the tap-on ban?

A handwritten signature in black ink, appearing to read "Thomas M. Dorman", is written over a horizontal line.

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

DATED: June 13, 2002

cc: Parties of Record