

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MORGAN COUNTY WATER)
DISTRICT TO REVISE CERTAIN NON-) CASE NO. 2006-00193
RECURRING CHARGES)

COMMISSION STAFF'S INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS TO MORGAN COUNTY
WATER DISTRICT

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Morgan County Water District ("Morgan District") file the original and 8 copies of the following information with the Commission within 20 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 shall be given to copied material to ensure its legibility.

1. Provide the minutes of each meeting of Morgan District's Board of Commissioners in which any of the following subjects were discussed:

a. The increase of the meter connection/tap-on charge from \$300 to \$590.

b. Public complaints regarding the increase in the meter connection/tap-on fee.

c. The proposed decrease in the meter connection/tap-on charge.

2. Provide all correspondence regarding Morgan District's meter connection/tap-on charge that Morgan District has received or issued since January 1, 2003.

3. List and describe all contacts and communications since January 1, 2003 that Morgan District has had with representatives of Morgan County Fiscal Court, including the Morgan County Judge/Executive, regarding Morgan District's meter connection/tap-on charge.

4. Provide a copy of all written complaints that Morgan District has received since January 1, 2003 regarding its meter connection/tap-on charge.

5. List and describe each complaint that Morgan District has received since January 1, 2003 regarding its meter connection/tap-on charge. The description should address whether the complainant is a current customer of Morgan District, the manner in which the complaint was made, the date of his or her complaint, and Morgan District's response to the complaint.

6. Explain why Morgan District assumes that no installation labor expense or installation equipment expense is incurred to make a meter connection.

7. a. State whether or not the cost justification documents included in Morgan District's application assume that all meters will be set during the construction phase of a water main extension project.

b. If yes,

(1) State whether Morgan District agrees that, for meter connections performed outside of the construction phase of a water main extension

project, the cost of the connection will be larger than those of connections made during the construction phase.

(2) State whether Morgan District agrees that, for meter connections performed outside of the construction phase of a water main extension project, installation labor expense and installation equipment expense will be incurred.

8. State whether Morgan District agrees that the current level of its meter connection/tap-on charge of \$590 allows Morgan District to recover the full cost of installing a metered connection made outside of a construction phase of a water main extension project.

9. State whether Morgan District considered establishing a separate meter connection fee for connections made during the construction phase of a water main extension project rather than establishing a fee that applies to all connections.

10. a. State whether or not Morgan District agrees that, if the Commission approves the proposed level for its meter connection/tap-on charge, Morgan District will not recover the entire cost of installing a metered connection made outside of a construction phase of a water main extension project through its meter connection/tap-on charge.

b. If Morgan District agrees with the statement above, describe how Morgan District intends to recover the lost revenue of \$165 for each installation.

11. State whether or not Morgan District agrees that the proposed reduction in the meter connection/tap-on charge will require present customers to subsidize the installation of metered connections made outside of a construction phase of a water main extension project.

12. State the number of new meter connections that Morgan District has made to its system for each of the following calendar years:

- a. 2001
- b. 2002
- c. 2003
- d. 2004
- e. 2005

13. State the number of new meter connections that Morgan District has made at the meter connection/tap-on charge of \$590.

14. Provide all studies and analyses that Morgan District has performed or commissioned or otherwise had available regarding the effect of the current level of its meter connection/tap-on charge on requests for water service.

15. a. State whether or not Morgan District is of the opinion that a reduction in the current meter connection/tap-on charge will encourage new requests for water service made outside of a construction phase of a water main extension project.

b. If Morgan District is of the opinion that a reduction in the current meter connection/tap-on charge will encourage new requests for water service made outside of a construction phase of a water main extension project, state the basis of this opinion.

16. Explain why a meter connection is less expensive to install at the time of new main construction as compared to when the connection is being made to an existing main.

17. Provide all documents upon which Morgan District relies for its Meter Yoke expense of \$170.14.

18. Refer to Morgan District's Application, "Average Meter Expense Cost Justification." Identify the bid upon which the "Average Meter Expense Cost Justification" is based. Show how the bid relates to each of the individual entries in the "Average Meter Expense Cost."

19. a. State whether a Certificate of Public Convenience and Necessity has been issued for the Phase 11 Water Main Extension Project.

b. If the Commission has issued a Certificate of Public Convenience and Necessity for the project, identify the case.

c. If the Commission has not issued a Certificate of Public Convenience and Necessity for the project, state when Morgan District anticipates applying for a Certificate of Public Convenience and Necessity.

20. Describe how Morgan District currently demands and collects its Meter Connection Charge (e.g., requires full payment before permitting connection; permits installment payments).

21. a. State whether Morgan District currently permits a customer to pay the meter connection charge in installments.

b. If Morgan District currently permits a customer to pay the meter connection charge in installments, state the period over which a customer may pay the charge.

c. If Morgan District does not currently permit a customer to pay the meter connection charge in installments, explain why not.

d. Explain why the use of an installment payment plan is not an adequate substitute for lowering the cost of the meter connection fee.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED August 11, 2006

cc: All Parties