

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN KENTUCKY )  
WATER DISTRICT FOR A CERTIFICATE OF )  
CONVENIENCE AND NECESSITY FOR THE ) CASE NO. 2006-00315  
CONSTRUCTION OF SUBDISTRICT F WATER )  
MAIN EXTENSIONS, FINANCING AND )  
SURCHARGE )

COMMISSION STAFF'S FIRST SET OF INTERROGATORIES AND REQUESTS  
FOR PRODUCTION OF DOCUMENTS TO NORTHERN KENTUCKY WATER  
DISTRICT

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Northern Kentucky Water District ("NKWD") 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.

Each response shall be under oath or, for representatives of a public or private corporation, a partnership, an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

NKWD shall make timely amendment to any prior response if it obtains information upon the basis of which it knows that the response was incorrect when made, or though correct when made, is now incorrect in any material respect. For any request to which NKWD fails to furnish all or part of the requested information, NKWD shall provide a written explanation of the specific grounds for its failure to furnish.

1. Provide all studies, analyses, and reports that NKWD prepared or commissioned regarding the extension of water service to the outlying areas of Campbell and Kenton counties, Kentucky.

2. Provide the minutes of all meetings of the NKWD Board of Commissioners since January 1, 1991 in which the creation of subdistricts to serve the outlying areas of Campbell and Kenton counties, Kentucky and the extension of water service to those areas is discussed.

3. Provide all NKWD written policies, guidelines, procedures and directives on the creation of subdistricts to serve the outlying areas of Campbell and Kenton counties, Kentucky and the extension of water service to those areas

4. Provide all correspondence, memoranda, electronic mail messages, and other written communication between NKWD and the county judge/executives of Campbell or Kenton counties since January 1, 1991 in which the creation of subdistricts to serve the outlying areas of Campbell and Kenton counties, Kentucky and the extension of water service to those areas is discussed.

5. Explain why NKWD has not created one subdistrict to encompass all areas in Campbell and Kenton counties that are "rural, remote from existing water

distribution facilities and have no access to potable water other than cisterns and wells” for the assessment of a single surcharge to finance water main extensions.

6. Provide all correspondence, electronic mail messages, and other written communication that NKWD officials and employees received or sent regarding water service to Flagg Springs Market.

7. Provide the calculations upon which NKWD bases its estimate that “to serve the remaining 2,300 plus households within its service area would cost over \$65,000,000.” State all assumptions that were used to derive this estimate.

8. Provide all studies and analyses that NKWD has conducted or commissioned that address the effect on the average customer’s monthly bill for water service if the cost of water main extensions to the remaining rural areas were financed through general rates.

9. Refer to the Prefiled Testimony of Richard Harrison at 2.

a. Describe how Mr. Harrison makes his assessment of the need for a subdistrict.

b. List the criteria that Mr. Harrison used to determine whether a subdistrict should be created.

c. List the criteria that Mr. Harrison used to determine whether a geographical area should be included in a subdistrict.

10. In his testimony, Mr. Harrison lists 2 alternatives that NKWD has considered in lieu of the creation of subdistricts – NKWD’s normal extension policy and assessments. State whether NKWD has considered any other alternatives.

11. Describe the procedures that NKWD uses to bill for and administer subdistrict surcharges.

12. Describe the differences in the procedures used to administer assessments with those used to bill for and administer subdistrict surcharges.

13. At page 4 of his prefiled testimony, Mr. Harrison states that it is difficult, if not impossible, for the prospective customers of Subdistrict F to make the necessary contribution toward the proposed construction project if NKWD's normal extension policy were applied. State the basis for Mr. Harrison's statement.

14. Provide a map of Campbell and Kenton counties, Kentucky of suitable scale on which is indicated the geographical areas (not merely roads or highways) that NKWD considers "rural, remote from existing water distribution facilities, and have no access to potable water other than cisterns and wells."

15. Refer to NKWD's Response to the Commission's Order of October 19, 2006, Item 6. State for each year since 1997 the savings that NKWD has incurred as a result of its exemption of refunds to real estate subdivision developers for certain main extensions.

16. Describe how NKWD determined that Flagg Springs Market should contribute \$55,000 towards the cost of the proposed water main extension.

17. State whether the amount of any NKWD hydraulic improvement contribution to a subdistrict water main extension project is always the difference between the cost of the larger size water main that is installed and the cost of 8-inch water main. If no, explain how NKWD determines its hydraulic improvement contribution towards the cost of a subdistrict water main extension project.

18. Explain how NKWD determines its "Extension Contribution" to the cost of a subdistrict water main extension project. List all factors used to determine the level of this contribution.



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DATED: May 10, 2007

cc: Parties of Record