

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES OF)
THE MILFORD WATER COMPANY) CASE NO. 8420
OF MADISON COUNTY, KENTUCKY)

O R D E R

IT IS ORDERED that Milford Water Company shall file an original and five copies of the following information with the Commission, with a copy to the Attorney General's Division of Consumer Protection, by February 23, 1982. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

- (1) Provide the most recent contract with the City of Richmond for water supplied at the current rates.
- (2) Provide a breakdown of utility plant in service and the depreciation rates applied to all items of plant.
- (3) Provide an explanation of the difference between the total operating income shown on the Statement of Income and Expense ending September 30, 1981, in Exhibit A and the amount listed on page 1 of Exhibit B as Revenue.
- (4) Explain the discrepancy between the total operating expenses shown on the Statement of Income and Expense ending September 30, 1981, in Exhibit A and the amount listed on page 1 of Exhibit B as Expenses.

(5) Provide a detailed breakdown for the test year of the following accounts with a narrative explanation for the substantial increase in each account over the amounts shown in the same accounts for 1980.

- a. Salaries
- b. Rent
- c. Utilities
- d. Miscellaneous Expense

(6) Provide a detailed analysis of the repairs and maintenance expense and the insurance expense for the test year. Give an explanation for the decrease in these accounts from expenses listed for the 1980 calendar year.

(7) Provide amortization tables for each note outstanding showing the required annual principal payment and interest.

(8) Supply a narrative description of the plant additions as shown on the Statement of Changes in Financial Position ending September 30, 1981, in Exhibit A.

(9) Provide a narrative stating the reasons for using a 14 percent return on investment to calculate the proposed rates. Also provide a breakdown of the \$171,633 investment amount.

Done at Frankfort, Kentucky, this 27th day of January, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary