

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

APPLICATION OF NORTH LOGAN WATER	)	
DISTRICT NO. 1 FOR RATE INCREASE	)	
PURSUANT TO ALTERNATE RATE	)	CASE NO. 8637
ADJUSTMENT PROCEDURE FOR SMALL	)	
UTILITIES	)	

O R D E R

IT IS ORDERED that North Logan Water District No. 1 shall file an original and six copies of the following information with the Commission by November 5, 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. Please identify the utility facilities at the Lewisburg and North Logan locations on the water bills.

2. Please provide the telephone bills from South Central Bell to the utility for December 1980 and January 1981.

3. Provide copies of invoices from R. H. Hays and Sons for the amounts listed in the Maintenance of Services Account shown as Exhibit K of your response to the Commission's Order of September 29, 1982.

4. In Exhibit P in the response to the Commission's Order of September 29, 1982, the invoices for property insurance only totaled \$291. The 1981 Annual Report lists an expense of \$729.36. Provide an explanation for the discrepancy between the 2 amounts.

5. In Account 921, Office Supplies and Other Expenses, shown in Exhibit L of the response to the Commission's Order of September 29, 1982, there are 3 listings of rock and rock hauling. Please explain the reason this item was charged to account 921.

6. At what date does North Logan anticipate to incur the costs for repainting and cleaning the standpipe and the installation of the booster chlorine system?

7. Supply the best estimate for the date when service to ARCO Metals, Inc. will be discontinued.

8. Provide a detailed analysis of the costs of any water transmission or distribution lines and other utility facilities that were installed specifically for providing service to ARCO Metals, Inc.?

9. Provide the dollar amount, if any, provided by ARCO Metals, Inc. for the installation of any facilities mentioned in Item 8. Will any of these facilities be useful to the utility when the service to ARCO is discontinued?

10. Provide a complete explanation of the \$41,000 in construction necessary to enlarge the water pump and to install the inline booster referred to in the original application. Include as a part of this analysis the plans for the proposed construction, bids reflecting the estimated costs, and the proposed method of financing. Include the estimated date for the completion of construction and the terms and conditions of the agreement whereby Daniel Construction Company will pay a portion of that cost. Of the \$41,000 of total construction, provide the amount to be paid by the

water district and the amount to be paid by Daniel Construction Company.

11. Explain the need associated with the two above mentioned items.

12. How many customers did these two items improve service to?

13. Provide the present rates for electric service from Pennyrile RECC.

14. Provide a monthly analysis of the amount paid to Mrs. Victor Brady for providing the service of billing and collecting during the test year. If this analysis does not agree with the \$4,200 amount in the 1981 Annual Report, please supply a reconciliation of the two amounts.

15. Provide an explanation as to how changing rate design will benefit the utility and the customers.

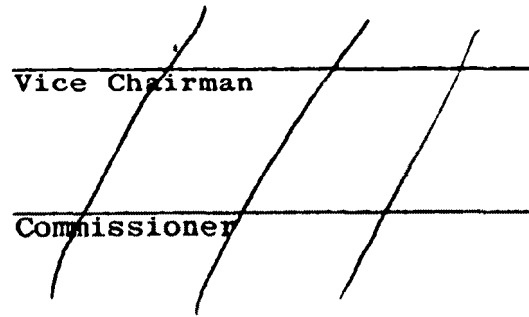
16. It is the policy of the Commission to exclude for rate-making purposes depreciation on contributed property. If the utility is opposed to this ratemaking treatment, provide justification as to why the Commission should not impose this treatment on North Logan.

17. It is the policy of the Commission to exclude for ratemaking purposes any line loss in excess of 15 percent when calculating the cost of purchased water. If the utility is opposed to this ratemaking treatment, provide justification as to why the Commission should not impose this treatment on North Logan.

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

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Secretary