

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF PB CORPORATION)
(FOXBORO MANOR) FOR AN ADJUSTMENT)
OF RATES PURSUANT TO THE ALTERNA-)
TIVE PROCEDURE FOR SMALL UTILITIES) CASE NO. 8682

O R D E R

IT IS ORDERED that PB Corporation - Foxboro Manor ("Foxboro") shall file an original and seven copies of the following information with the Commission, with a copy to the Attorney General's Division of Consumer Protection, and a copy to Mr. Charles Lind, Intervenor, by March 9, 1983. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. Correspondence received from Foxboro dated January 20, 1983, reflects that Foxboro is paying a \$2.00 charge per customer to fulfill an obligation to the initial developers of the sewer system. Provide the following concerning this obligation.

(a) A complete copy of the agreement concerning the obligation to the initial developers.

(b) The outstanding balance of the obligation at December 31, 1980, 1981, and 1982.

(c) How many customers are subject to the \$2.00 monthly payment?

(d) Is this \$2.00 charge included as a part of the \$8.39 sewer rate listed on Foxboro's most recent tariff on file with the Commission?

(e) A detailed description of the property which is to be paid for from this obligation.

2. Provide a schedule which reflects the debt incurred by Foxboro since 1970. The schedule should at a minimum list the year the debt was incurred, the year the debt was retired, the amount of the debt, and a description of how the proceeds from the debt were used.

3. Provide copies of the monthly remittance advices from Louisville Water Company for calendar year 1981. Also, provide a verifiable estimate of what the per bill fee will be based on current Louisville Water Company rates (joint service cost and water rates).

4. Provide the following concerning the routine maintenance services utilized by Foxboro.

(a) A copy of the current contract with the party that provides this service.

(b) The monthly charge for the service.

(c) A complete list of the services provided under this arrangement.

(d) An analysis of how the party providing maintenance services arrived at the fee charged to Foxboro.

(e) If this contract is with a different party other than the one which provided this service during the test period provide any adjustments which will be required to the test period operating statement (any supporting documents or computations for proposed changes to the operating statement should be included).

5. Provide the original cost of the sewer plant when the plant was initially constructed. If actual cost figures are not available provide a complete explanation of the methodology, including all assumptions used to determine the original cost.

6. Provide the amount that was recorded within the plant in service account when Cambron-Kendall, Inc., acquired Foxboro Manor. Include any supporting computations or assumptions used in arriving at this amount.

7. Provide the amount that was recorded within the plant in service account when PB Corporation acquired the outstanding stock of Cambron-Kendall, Inc. Include any supporting computations or assumptions used in arriving at this amount. Also, provide a detailed schedule which lists all Cambron-Kendall assets transferred to PB Corporation. Indicate which assets from the schedule were transferred to plant in service.

8. The application reflects that Jefferson County taxes totaling \$644 and rent totaling \$720 have not been paid. Provide the following concerning these items.

(a) The accounts charged for these expenses within the 1981 operating statement.

(b) A copy of the tax bill(s) from Jefferson County which reflects the amount listed above.

(c) For what purpose has the rent expense been incurred?

(d) Copies of any documents or computations used in deriving the amount listed for rent expense.

9. Is Foxboro aware of the Commission's policy to compute depreciation expense on the basis of the straight-line method?

(a) Do you agree with this policy?

(b) If not, why?

Done at Frankfort, Kentucky, this 24th day of February, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary