

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF WAVERLY SANITATION)
FACILITIES, INC. FOR RATE INCREASE)
PURSUANT TO ALTERNATE RATE ADJUST-) CASE NO. 8763
MENT PROCEDURES FOR SMALL UTILITIES)

O R D E R

IT IS ORDERED that Waverly Sanitation Facilities, Inc., shall file an original and six copies of the following information with the Commission by March 25, 1983. 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 submit a copy of the contract with the manager of the sewage treatment facility. If no written contract exists, provide a narrative of the duties, responsibilities and the terms of employment.

2. Provide copies of the monthly water bills from Louisville Water Company for the test year. State the account to which this expense was assigned.

3. Provide copies of the monthly electric bills from Louisville Gas and Electric for the test year. State the account to which this expense was assigned and a description of the utility facilities at each location for which a gas or electric bill is rendered.

4. Provide a detailed breakdown of the chemicals expense incurred by Waverly during the test year. List all items by invoice and include the name of the vendor, amount and description of each purchase. Also state the account to which this expense was assigned. Items charged to this account with a value of less than \$50 may be grouped with a description of each group and the average price range of items included in the group.

5. Provide a verifiable estimate of the average consumer's water bill in the area served by Waverly. This would be the basis of the calculation for the collection expense. Also indicate to which account the collection expense was charged.

6. Provide an analysis of the office supplies expense. List all items by invoice and include the name of the vendor, amount and description of each purchase. Items charged to this account with a value of less than \$50 may be grouped with a description of each group and the average price range of items included in the group.

7. Submit the statements for the property insurance expense incurred during the test year.

8. Provide a breakdown of the utility plant in service at the end of 1982 in accordance with the Uniform System of Accounts. Also provide the depreciation rates applied to each account or the specific items of plant.

9. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in attached Format I, and all detailed working papers supporting the analysis. At

minimum the working papers should show the payee, dollar amount, reference (i.e., voucher no., etc.) account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided.

10. On the Taxes Other Than Income Taxes Schedule in the 1982 annual report property taxes of \$241 were listed. Please submit a copy of the statements for this amount. Also, explain the omission of the 1982 PSC assessment from this account.

11. Provide a detailed breakdown of Account 711, Maintenance of Structures and Improvements, for 1982. List all items by invoice and include the name of the vendor, amount due and description of each purchase. Also provide details of any labor or other costs allocated to this account. Items charged to this account with a value of less than \$50 may be grouped with a description of each group and the average price range of items included in the group.

12. Please submit a copy of the contract for routine maintenance service. If no written contract exists, provide a narrative of the duties, responsibilities and all terms and conditions of the verbal agreement.

13. The 1982 annual report shows \$62,025 in notes payable. Provide any information that shows the form of debt, the holder, the uses of the funds, the repayment plan established, and the current interest rate, if applicable.

14. Provide written estimates for all repair and replacement items listed in the original application.

15. A detailed analysis of the costs incurred in this rate case should be provided. This breakdown should note the amounts paid in salaries, fees, retainers, and expenses of counsel, accountants, engineers, clerks, witnesses, or anyone involved in this case. Show these expenditures in the form used on the attached Format 1, and provide all detailed working papers supporting the analysis. At minimum the working papers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates, and time charged to the utility according to each invoice, and a description of the service provided. This analysis of costs should also include office supplies and expenses, traveling expenses, and other expenses incurred directly in connection with this case.

16. The 1982 Income Statement lists miscellaneous general expenses of \$190 and penalties of \$10. Provide a breakdown of these expenses listing all items by invoice and include the name of the vendor, amount due and description of each purchase. Also explain why these expenses were shown separately on the Income Statement instead of being classified as Miscellaneous General Expenses included sewer operation and maintenance expenses in accordance with the uniform system of accounts.

17. Provide an explanation of the discrepancy between the 36,000 maximum GPD capacity of Waverly's Treatment Plant listed on page 11 of the 1981 Annual Report and the 60,000 maximum GPD capacity of the treatment plant shown in the 1982 report.

18. Submit copies of the company state and federal tax returns for the years 1980, 1981 and 1982.

19. Provide copies of all invoices received for sludge hauling expenses in 1982 and documentation of any change in the amount charged for this service. State the account to which this expense was assigned.

20. Submit copies of invoices received for "laboratory fees" during the test year.

Done at Frankfort, Kentucky, this 11th day of March, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

Waverly Sanitation Facilities, Inc.

Case No. 8672

Professional Service Expenses

For the Twelve Months Ended December 31, 1982

<u>Line No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				