

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF DOVE CREEK )  
SANITATION, INC., FOR AN )  
ADJUSTMENT OF RATES PURSUANT ) CASE NO. 8912  
TO THE ALTERNATIVE PROCEDURE )  
FOR SMALL UTILITIES )

O R D E R

IT IS ORDERED that Dove Creek Sanitation, Inc., ("Dove Creek") shall file an original and seven copies of the following information with the Commission with a copy to all parties of record by January 17, 1984. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

It is the policy of this Commission to allow only known and measurable increases to actual test year expenses which can be substantiated by submitting a copy of invoices and other related material in support of the increase to the actual expense.

Dove Creek failed to comply fully with the Commission's Order requesting information dated November 28, 1983. The following information is needed to give consideration to the rate application.

1. Provide a copy of the monthly electric bills from LG&E which sets out the usage and the related cost thereof for the period December, 1981 through January, 1983.

2. Provide copies of the Louisville Water Company remittance advices representing collections for the months April, May, June, August, October and December, 1982.

3. Provide a copy of the monthly invoice from Eubank, Hall and Associates, Inc., ("EH&A") for January 1, 1982, May 1, 1982, June 1, 1982, and December 1, 1982.

4. With reference to the pro forma adjustment of \$200 to NPDES testing expense, is Dove Creek presently paying this charge to EH&A? Is the charge included in the monthly operational fee?

5. The Commission, in its Order of November 28, 1983, requested justification supporting the pro forma adjustment of \$4,407 to maintenance expense. In Dove Creek's response, it is stated that the adjustment consists of snap-cap defusers installed during 1983 by EH&A at a cost of \$1,604, and an estimate of future sludge hauling by EH&A of \$2,640 with a remaining unexplained difference of \$163. The Commission is of the opinion that the snap-cap defusers installed on April 29, 1983, are a capital item and should be depreciated over the life of these assets. Dove Creek's actual experience was four loads of sludge being hauled at \$139 per load through September 23, 1983; therefore, the Commission currently considers only six loads at \$139 per load to be justifiable cost to be used for rate-making purposes. Dove

Creek should provide additional evidence in response to this Order to convince the Commission that a different amount is reasonable.

Done at Frankfort, Kentucky, this 11th day of January, 1984.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary