

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

JOINT APPLICATION OF BARBOUR)
MANOR DISPOSAL PLANT, INC. AND)
BARBOUR MANOR UTILITIES, INC.) CASE NO. 8933
FOR APPROVAL OF SALE AND TRANS-)
FER OF ASSETS AND INCREASE IN)
RATES)

O R D E R

IT IS ORDERED that Barbour Manor Utilities, Inc. ("Barbour Manor") shall file an original and seven copies of the following information with the Commission (with a copy to the Attorney General's Consumer Protection Division) by May 11, 1984. In the event the requested information is not available, the utility shall state explicitly why the information cannot be furnished. If neither the response nor a motion for extension of time is filed by the stated date, the case may be dismissed.

1. With reference to Item No. 13 of the March 13 request, as stated therein, it is the policy of the Commission to carefully analyze transactions occurring between associated companies to ascertain the appropriateness of the test period charges to the utility. In order for the staff to complete its analysis of test year charges to Account No. 714, Maintenance and Treatment of Disposal Plant, the following information is needed:

a. An analysis of the wage scale of Andriot-Davidson for the following job classifications: electrician, first man or job forman, second man or helper.

b. An analysis of the pricing policy, including percentage markup, for materials sold to Barbour Manor.

c. A response to Item No. 13b.

2. In cases where utilities purchase materials and services from associated companies, the obligation and burden of proof is on the utility to show that the bargain is fair, just, and reasonable. With reference to Item No. 14 of the March 13 request, regarding the contract for routine maintenance, it is the staff's opinion that this burden of proof has not yet been met. In staff's opinion, two ways of meeting this burden of proof are:

a. By providing a thorough cost of service study as requested in the March 13 request, Item No. 14a and,

b. By providing a thorough comparative analysis as described in Item No. 14b of the March 13 request.

As complete replies were not previously given, please provide responses to these items and any additional evidence supporting the position that \$450 is the appropriate charge for routine maintenance service to Barbour Manor so that a finding on this issue can be made.

Done at Frankfort, Kentucky, this 7th day of May, 1984.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary