

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF TRIMBLE COUNTY)  
WATER DISTRICT NO. 1, OF TRIMBLE )  
COUNTY, KENTUCKY, FOR (1) A )  
CERTIFICATE OF PUBLIC CONVENIENCE)  
AND NECESSITY, AUTHORIZING AND )  
PERMITTING SAID WATER DISTRICT TO)  
CONSTRUCT A WATERWORKS CONSTRUC- )  
TION PROJECT, CONSISTING OF )  
EXTENSIONS, ADDITIONS, AND IM- ) CASE NO. 9150  
PROVEMENTS TO THE EXISTING WATER- )  
WORKS SYSTEM OF THE DISTRICT; (2))  
APPROVAL OF THE PROPOSED PLAN OF )  
FINANCING OF SAID PROJECT; AND )  
(3) APPROVAL OF THE INCREASED )  
WATER RATES PROPOSED TO BE )  
CHARGED BY THE DISTRICT TO )  
CUSTOMERS OF THE DISTRICT )

O R D E R

IT IS ORDERED that Trimble County Water District No. 1 ("Trimble County") shall file an original and seven copies of the following information with the Commission with a copy to all parties of record within 20 days from the date of this Order. Trimble County shall also furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each area of information requested. 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.

1. On Exhibit O - Comparative Income Statement, pro forma metered water sales includes a projection of revenues of \$5,850 based on 30 new services using 4,500 gallons of water per month from the current construction project.

a. To date, have the required tap fees for the 30 new services been paid to Trimble County?

b. What was the determining factor is using 4,500 gallons usage per month in the computation?

2. Provide further documentation in support of pro forma increases to the following operating expense accounts appearing on Exhibit O:

Purchased Power	- \$3,514.32
Plant Supplies and Repairs	- 491.70
Postage and Office Supplies	- 171.47
Legal and Accounting	
Estimated fees for legal, recording fees and filing fees	- 1,000.00

Provide a copy of the contract for accounting services at \$300 per month.

3. Is there any cost associated with the preparation of this case included in the operating expense accounts for the test period? If so, identify the accounts and the amount included in each account.

4. It is this Commission's policy that depreciation expense should be computed on the basis of original cost of the plant in service less contributions in aid of construction. The

Commission is of the opinion that it is unfair to require ratepayers to provide recovery on that portion of the plant provided free of cost. Do you concur in this opinion? If not, state your reasons.

5. Provide an amortization schedule which sets out the annual principal and interest requirements related to the loan from the Farmers Home Administration of \$147,000.

6. An examination of page 1 of the 1982 and the 1983 annual report of Trimble County shows that the Commissioners salaries were increased from \$1,200 to \$2,400 per year, or an increase of 100%. Please account for this large increase.

7. Page 10 of the 1982 annual report shows 706 customers and the 1983 annual report shows 676 customers, or a decrease of 30 customers. Please explain this decrease. Also, furnish an analysis by class of the number of customers for the test period.

Done at Frankfort, Kentucky, this 30th day of October, 1984.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary