

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF STONEBROOK )  
SANITATION COMPANY, INC., FOR AN )  
ADJUSTMENT OF RATES PURSUANT TO ) CASE NO. 9135  
THE ALTERNATIVE PROCEDURE FOR )  
SMALL UTILITIES )

O R D E R

IT IS ORDERED that Stonebrook Sanitation Company, Inc., ("Stonebrook"), shall file an original and ten copies of the following information with the Commission with a copy to all parties of record by February 11, 1985. If neither the requested information nor a motion for an extension of time is filed by the stated date, the Commission may dismiss the case without prejudice.

1. The following are in reference to Stonebrook's reply to question 1a of the initial information request dealing with the account, "Maintenance of Treatment and Disposal Plant".

a. Included in the invoices are two credit-memorandums issued for invoice numbers 409-8 and 811-2 in the amounts of \$1,251.17 and \$506.93, respectively. Both of the memos were issued in the month of June, 1983. Explain fully why these credit memos were issued. Please provide a copy of invoice number 811-2.

b. Invoice number 218-14 dated February 18, 1983, appears to be for work performed in 1982, which is outside the test-period. Provide an explanation of why it is included in the 1983 expenses. Why wasn't it billed in 1982? Do you agree it would have been more appropriately billed in 1982?

c. Are invoices 218-14 and 307-1 for repair work on the same blower assembly? If so, when was the blower repaired and reinstalled as this information is not provided on the invoice? If not, please explain.

d. In reviewing the invoices for maintenance, it appears that some of the minor work performed should be covered by the maintenance contract with Andriot-Davidson. (For example, invoice number 1024-35, the installation of 6 new belts.) What criteria is used to determine when the contract covers a repair or when it is charged directly?

2. The following are in reference to your reply to question 1b of the initial information request dealing with the account, "Miscellaneous General Expenses".

a. With regard to an invoice from Kentucky Sewer Service dated November 30, 1983, in the amount of \$419.77, what services do they perform? Please provide an explanation of charge number 28789 dated July 13 in the amount of \$280.00.

b. With regard to a phone bill dated December 7, 1983, in the amount of \$162.06, provide a detailed explanation of this expense. Also explain why this charge was included in Miscellaneous General Expenses.

3. The following are in reference to your reply to question 1c of the initial information request dealing with the account, "Outside Services Employed".

a. Examination of the invoices shows that Stonebrook has two bookkeepers, Andriot-Davidson Company and Automated Financial Services. Explain why Stonebrook needs two separate bookkeepers.

b. With regard to an invoice from Citizens Fidelity Bank dated January 3, 1983, in the amount of \$315.00, explain this expenditure. Please explain the reference to initial fee of \$75.

c. With regard to the two invoices from the Courier-Journal for the amounts of \$20.90 and \$142.50, are these for customer notices of rate increases? If they are, what rate case are they associated with?

4. In your response to question 3 of the initial information request you use \$35.00 as the minimum transportation charge, while a trip of 150 miles is an expense of only \$37.50 based on \$0.25 per mile. With the facts, how did you arrive at the minimum charge of \$35.00 and a cost of \$0.25 per mile when it would appear that many trips would be less than the minimum if determined on mileage alone?

5. Have you retired the original note to South East Federal in the amount of \$20,100 as planned? If not please explain what has occurred with the note.

6. Have the monthly payments to the 3 original owners commenced at this date? If so, when did they commence? Provide an amortization schedule of the \$1,000 monthly payment to each owner.

7. The following are in reference to your reply to question 7 of the initial information request dealing with the note to Citizens Fidelity Bank in the amount of \$30,000.

a. In the application of Case No. 9088, you stated that the difference in the loan and the actual improvements was due to the payment of \$4,000 in backpayments to Louisville Gas and Electric and \$2,000 for current miscellaneous expenses. Please identify these miscellaneous expenses.

b. What is your current interest rate?

8. The information supplied regarding the increase of water and electric by your supplier is not adequate to support a pro forma adjustment at this time. In the past, the Commission has calculated these and similar adjustments for you and we no longer feel it is our obligation to fulfill your burden in the calculation of these adjustments. Thus, in order for these adjustments to be considered by the Commission, you must make the calculations supported by appropriate workpapers using the latest known and measurable prices or rates and normal recurring usage or volumes. If such a calculation is not made, the Commission may disallow these adjustments for rate-making treatment.

Done at Frankfort, Kentucky, this 28th day of January, 1985.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary