

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE ALTON WATER)
DISTRICT, A WATER DISTRICT ORGANIZED)
PURSUANT TO CHAPTER 74 OF THE KENTUCKY)
REVISED STATUTES, OF ANDERSON COUNTY,)
KENTUCKY, FOR (1) A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY,)
AUTHORIZING AND PERMITTING SAID WATER) CASE NO. 9274
DISTRICT TO CONSTRUCT A SEWAGE SYSTEM,)
(2) APPROVAL OF THE PROPOSED PLAN)
OF FINANCING OF SAID PROJECT, AND (3))
APPROVAL OF THE SEWER RATES PROPOSED)
TO BE CHARGED BY THE DISTRICT)
TO CUSTOMERS OF THE DISTRICT)

O R D E R

IT IS ORDERED that Alton Water District ("Alton") shall file an original and 8 copies of the following information with the Commission, with a copy to all parties of record, by February 17, 1986. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. The annual depreciation expense allowed for rate-making purposes was calculated on Exhibit L per the application. Please state where the depreciation expense is included on the Comparative Income Statement (Exhibit K). In addition, please state where the allowable depreciation expense is included on the Required Revenue Statement (Item X) of the revised Engineering Report filed February 3, 1986.

2. Please provide a breakdown of the miscellaneous expense of \$2,300 on the estimated Operation and Maintenance Costs Statement (Item VII) of the revised Engineering Report. In addition, please state why this expense was not included in the Comparative Income Statement per the application (Exhibit K) or in the Estimated Operation and Maintenance Costs Statement (Item VII) per the original Engineering Report.

3. Per the Comparative Income Statement of the application (Exhibit K), provide an explanation of the anticipated transmission's collection expense of \$1,000. Please state why this expense was not included in either the original or revised Engineering Reports Estimated Operation and Maintenance Costs Statements.

4. Per the response filed April 26, 1985, to the Commission's information request, GRW Engineers, Inc., estimated the power expense to be \$9,935. This calculation contained a mathematical error on Exhibit 2-A, page 3. Please revise the calculations.

5. The total customer accounts expense has varied per reports submitted to the Commission as follows:

Customer Accounts Expense

Per the Application:

Comparative Income Statement (Exhibit K) \$2,730

Per the Original Engineering Report:

Estimated Operation and Maintenance

Costs Statement (Item VII) 600

Per the Revised Engineering Report:

Estimated Operation and Maintenance

Costs Statement (Item VII) 1,600

Please provide a detailed breakdown of this expense, an explanation of the variance, and the correct estimated amount.

Done at Frankfort, Kentucky, this 5th day of February, 1986.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary