

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES IN THE )  
EAST LOGAN WATER DISTRICT AND )  
FOR AUTHORITY TO REAMORTIZE ) CASE NO. 9440  
EXISTING BOND INDEBTEDNESS )

O R D E R

IT IS ORDERED that East Logan Water District ("East Logan") shall file an original and 8 copies of the following information with this Commission, with a copy to all parties of record, by February 11, 1986, or within 2 weeks after the date of this Order, whichever is later. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. 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 billing analysis using present rates produces annual revenue in the amount of \$162,056. The income statement for the test year shows operating revenue from water sales as \$168,725. Please reconcile the difference of \$6,669.

2. What was the total amount of uncollectibles during the test year?

3. Are all special charges and tap fees compensatory? If not, please provide cost justification for increasing said fees or charges using the attached forms.

4. In the 1984 Annual Report, East Logan classifies Organization Costs of \$71,171, net of amortization, under Deferred Debits. In the June 30, 1985, Report, organization costs of \$70,183 are shown as Other Assets. The Uniform System of Accounts for Water Utilities classifies Organization Costs as utility plant under the sub-account of Intangible Plant. Please explain East Logan's basis for this deviation.

5. Provide an amortization schedule for Organization Costs per the June 30, 1985, Report, including the following:

- a. Description of the asset;
- b. Date acquired;
- c. Cost of the asset;
- d. Amortization allowed or allowable in prior years;
- e. Estimated life; and
- f. Test-period amortization expense.

6. In numerous past cases, the Commission has disallowed depreciation on facilities provided through Contributions in Aid of Construction for rate-making purposes. Provide any evidence deemed necessary as to why this rate-making practice should not be applied in this case.

7. For each employee and commissioner provide the following information:

- a. A detailed description of the duties and responsibilities of each employee and commissioner.

b. For each employee and commissioner, provide an analysis showing changes in the level of wages, and other compensation, from January 1, 1983, to the present, and include any proposed adjustments. The analysis should include an explanation for the change, the date, the amount, and the percentage of each change.

c. For each commissioner, provide the approximate amount of time required monthly to fulfill his duties and responsibilities in official utility business.

8. Provide the date of each commissioners' meeting held during the test year and indicate the total number of commissioners in attendance at each meeting.

9. Provide an itemized listing of the costs incurred to date for the preparation of this case and an itemized estimate of the total cost to be incurred. Indicate any costs associated with this case that were incurred during the test year. For these costs, include the account charged for each amount and a detailed explanation of the services provided by each firm or individual rendering services in connection with this case.


10. East Logan requests authority to reamortize existing bond indebtedness in the application. Provide a detailed explanation of the proposed borrowing and loan reamortization mentioned in paragraph VII of East Logan's petition. Provide any documentation from the lending agency approving the reamortization. Include a copy of the letter of conditions from FmHA if applicable.

11. In reference to the \$100,000 note payable to Citizens National Bank, provide details concerning the use of these funds.

12. Please explain why East Logan did not seek Commission approval for this financing.

Done at Frankfort, Kentucky, this 30th day of January, 1986.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

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Secretary

Special Charge Cost Schedule

Type of Special Charge: \_\_\_\_\_

1. Field Expense

A. Materials (Itemize)

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. Labor (Time and Wage)

\_\_\_\_\_

Subtotal Field Expense \_\_\_\_\_

2. Clerical and Office Expense

A. Supplies

\$ \_\_\_\_\_

B. Labor

\_\_\_\_\_

Subtotal Clerical and Office Expense \_\_\_\_\_

3. Miscellaneous Expense

A. Transportation

\$ \_\_\_\_\_

B. Other (Itemize)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Subtotal Miscellaneous Expense \_\_\_\_\_

Total Expense \_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
P.O. BOX 615  
FRANKFORT, KENTUCKY 40602

Average Metered Service Connection Expense

Name of Utility: \_\_\_\_\_ Address: \_\_\_\_\_  
\_\_\_\_\_

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch  3/4-Inch  1-Inch  1 1/2-Inch  2-Inch

Other (specify) \_\_\_\_\_

B. Materials Expense

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Water Meter	_____	\$ _____	\$ _____
2. Meter Yoke	_____	_____	_____
3. Corporation Stop	_____	_____	_____
4. Meter Box and Top	_____	_____	_____
5. Miscellaneous Fittings	_____	_____	_____
(Itemize)	_____	_____	_____
6. Subtotal (Add column 3)			\$ <input style="width: 100px; height: 20px;" type="text"/>

C. Service Pipe Expense

Type of Service Pipe: \_\_\_\_\_ Size of Service Pipe \_\_\_\_\_

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Short Side Service	_____ L.F. \$ _____	L.F. _____	_____
2. Long Side Service	_____ L.F. _____	L.F. _____	_____
3. Subtotal (Add column 3 and divide by 2)			<u>\$</u> _____

D. Installation Expense

Labor

	<u>Total Hours</u>	<u>Rate Per Hour</u>	<u>Total Cost</u>
1. Short Side Service	_____	\$ _____	\$ _____
2. Long Side Service	_____	_____	_____
3. Subtotal (Add column 3 and divide by 2)			<u>\$</u> _____

Equipment

	<u>Total Hours</u>	<u>Rate Per Hour</u>	<u>Total Cost</u>
1. Short Side Service	_____	\$ _____	\$ _____
2. Long Side Service	_____	_____	_____
3. Subtotal (Add column 3 and divide by 2)			<u>\$</u> _____

Miscellaneous

	<u>Total</u>	<u>Rate Per Hour</u>	<u>Total Cost</u>
1. Inspection	_____	_____	_____
2. Site Clean-Up	_____	_____	_____
3. Other (Itemize)	_____	_____	_____
4. Subtotal (Add column 3)			<u>\$</u> _____

E. Overhead Expense

1. Installation expense (\$ \_\_\_\_\_) x  
overhead rate ( \_\_\_\_\_ %)

\$

F. Administrative Expense

1. Office expense for establishing a new account  
and billing record.

\$

G. Expense Summary

1. Total of items B-F

\$