

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF THE)
PENDLETON COUNTY WATER DISTRICT) CASE NO. 9625

O R D E R

It is Ordered that Pendleton County Water District ("Pendleton") shall file an original and eight copies of the following information with the Commission and file a copy to all parties of record. The information requested herein is due no later than January 26, 1986. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. For clarification purposes, the Salaries & Wages - pumping expense per the amended application is actually the maintenance of pumping plant expense, account 6250, and does not include any expenses for salaries or wages. With regard to Division II adjustments 3a and 12, please explain the methodology of basing the adjustments on the percentage change of gallons sold due to the decreased minimum bill of Griffin Industries, Inc., ("Griffin") and the proposed 130 new customers.

2. With regard to Division II adjustments 13 and 14, please explain why these adjustments to labor accounts are based upon the number of proposed new customers. In addition, please provide the following information:

a. How many additional employees and/or additional hours from existing employees will be required due to the extension to read the additional master meters, take water samples, and maintain the additional tanks? These are assumed to be the type of expenses charged to Division II Salaries & Wages - operation expense per the amended application.

b. How many additional employees and/or additional hours from existing employees will be required to read meters?

c. Please state the hourly wage rate for the above mentioned employees.

d. Please describe any other applicable methods that could be used to determine the aforementioned adjustments.

3. With regard to Division II adjustments 19, 20 and 21, please explain why these adjustments to various labor expense related accounts are based upon the decrease in water sales due to Griffin's reduced minimum bill and the proposed percentage increase in water sales due to the Phase III expansion. In addition, please provide the following information:

a. The number of Division II miles of mains before and after the proposed extension.

b. The number of Division II customer meters before and after the proposed extension.

c. Any other applicable methods that could be used to determine the aforementioned adjustments.

4. Per the Limited Review performed by Commission staff, Repairs and Maintenance - Supplies and Parts Account includes rent expense of \$1,200 and various other expenses totalling \$527. Please explain why Division II adjustment 23 should be based upon the percentage change of water sales due to the decrease in Pendleton's minimum bill and the proposed increase in customers.

5. Is there an expected increase in the rental charge of the meter shop of \$200 per month? This expense is charged to Account 6530 Maintenance of Meters.

6. With regard to Division II general administration adjustment 25, please explain why the adjustment to this general administration labor account should be based upon the proposed increase in customers in Division II. In addition, please provide the following information:

a. The estimated additional hours needed for general administration due to the proposed increase in customers.

b. A detailed description of the duties to be performed during the additional hours.

c. The hourly rate charged by Mr. Asher.

d. A description of any other applicable methods that could be used to determine the adjustment to the general administration expense.

7. Please provide the basis for determining the Division II adjustment 29 - uncollectable accounts on the proposed increase in customers. In addition, please provide descriptions of any other

applicable methods that could be used to determine this adjustment.

8. Provide copies of the City of Falmouth monthly water purchased invoices for 1985. In addition, provide the City of Falmouth water purchased rate schedule which was in effect for the period of January through June 1985.

9. Please state the date that Harrison County R.E.C.C. discontinued charging sales tax to Pendleton.

10. Please obtain and submit a copy of a quote of obtaining an insurance policy separate from the Gas Division which includes the proposed extension.

11. Provide the calculations used to determine Division II adjustment 30. The methodology explained in the response to item 14 of the Commission's first information request does not result in the same amount as the adjustment.

Done at Frankfort, Kentucky, this 15th day of January, 1987.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director