

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF ADJUSTMENT OF THE RATES OF)
KENTUCKY-AMERICAN WATER COMPANY EFFECTIVE) CASE NO. 89-348
JANUARY 28, 1990)

O R D E R

IT IS ORDERED that the Attorney General's Office and the Lexington-Fayette Urban County Government ("AG-LFUCG") shall file the original and 12 copies of the following information with the Commission with a copy to all parties of record no later than April 16, 1990. AG-LFUCG shall furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each item of information requested.

The following questions relate to the prepared direct testimony of Thomas C. DeWard:

1. Schedule 10 of Mr. DeWard's testimony provides the calculation of a proposed reduction of 2.5 percent in overtime wagger expense. Provide the basis and all supporting documentation and calculations for the 2.5 percent adjustment.

2. On page 23 of Mr. Deward's testimony he indicates that an analysis was performed of selected employees showing significant percentages of overtime. Provide a copy of that analysis.

3. On page 28 of Mr. DeWard's testimony he defines short-term line of credit fees as fees incurred by the company when the company borrows under its short-term line of credit. Wouldn't this fee be charged regardless of whether or not there was existing short-term debt, so that the company can maintain its line of credit?

4. On page 34 of Mr. DeWard's testimony he discusses the cost-of-service study expense and how it should be treated if the Commission adopts the study as filed. Mr. DeWard indicates that he would consider allowing a portion of the costs. On what basis would the expense be allocated?

The following question relates to the prefiled direct testimony of Carl G. K. Weaver:

1. Page 22 of your testimony refers to the "average yield technique" of determining the cost of debt. Provide copies of the excerpts from the "Average Yield References" for any or all of the sources listed in Statement 16, page 2 of 2.

Done at Frankfort, Kentucky, this 9th day of April, 1990.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director