

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MALLARD POINT DISPOSAL)
SYSTEMS, INC. FOR AN ADJUSTMENT OF)
RATES PURSUANT TO THE ALTERNATIVE) CASE NO. 2005-00235
RATE FILING PROCEDURE FOR SMALL)
UTILITIES)

COMMISSION STAFF'S FIRST INFORMATION REQUEST
TO MALLARD POINT DISPOSAL SYSTEMS, INC.

Mallard Point Disposal Systems, Inc. ("Mallard Point") is requested, pursuant to 807 KAR 5:001, to file with the Commission no later than September 12, 2005, the original and 5 copies of the following information, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. 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 ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the Operating Statement Detail for the 6-month period of January 1, 2004 through June 30, 2004 that was submitted by Mallard Point in Case No. 2003-00284.¹

¹ Case No. 2003-00284, Application of Mallard Point Disposal Systems, Inc. for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities.

Provide supporting invoices or documentation for the expenses that are listed in the following table:

	<u>Account</u>	<u>Date</u>	<u>Check #</u>	<u>Vendor</u>	<u>Amount</u>
a.	Contract Labor	01/04/2004	1165	Hanson	\$ 400.00
b.	Contract Labor	03/12/2004	1204	Hanson	\$ 200.00
c.	Repairs	01/23/2004	1194	Pipe Eyes	\$ 388.00
d.	Repairs	05/26/2004	1238	M & M Electric	\$ 987.35

2. Refer to the Operating Statement Detail for the quarter ending September 30, 2004 that was submitted by Mallard Point in Case No. 2003-00284. Provide supporting invoices or documentation for the expenses that are listed in the following table:

	<u>Account</u>	<u>Date</u>	<u>Check #</u>	<u>Vendor</u>	<u>Amount</u>
a.	Taxes	08/19/2004	1287	Ky State Treasurer	\$ 500.00
b.	Contract Labor	08/03/2004	1274	Hanson	\$ 50.00

3. Refer to Exhibit D of the Application, Adjustment (a), Normalized Operating Revenues.

- a. Provide Mallard Point's current number of residential customers.
- b. Provide Mallard Point's current number of commercial customers.

4. Provide the usage information for each month of the test year for each of Mallard Point's commercial customers.

5. Refer to Exhibit D of the Application, Adjustment (b), Owner/Manager Fee.

a. Give a complete description of the duties performed by Mallard Point's owner/manager to support the requested annual fee of \$35,000. Include in the response the number of hours that is spent performing each listed duty and supporting documentation.

b. Identify the proceedings in which the Commission has allowed a privately owned sewer utility that is comparable to Mallard Point rate recovery of an

owner/manger fee of \$35,000. Include sections of the Orders where the Commission has granted its approval of recovery of the owner/manager fee.

6. Refer to Exhibit D of the Application, Adjustment (m), Accounting Bookkeeping. In its calculation, Mallard Point includes a \$3,600 accounting fee labeled, "Pro Forma Compilation/Tax Filing/Annual Report." Provide documentation to support the \$3,600 annual fee listing the accountant who will provide the service, the descriptions of the services that will be provided, the accountant's hourly rate, the estimate of the hours that will be billed for the each service, and that the accounting services provided are only for the regulated operations of Mallard Point.

7. Refer to Exhibit D of the Application, Adjustment (o), Depreciation.

a. The original 50,000 gallon wastewater treatment facility was placed in service in 1986 and has a depreciation life of 20 years. Provide the depreciation expense that will be recorded in 2005 and the December 31, 2005 balance in accumulated depreciation for this capital investment. Include all workpapers and calculations used to compute this response.

b. Provide a description and documentation for each of the following capital expenditures listed in the table below:

	<u>Description</u>	<u>In Service Date</u>	<u>Amount</u>
(1).	Depreciation Schedule	2004	\$ 534
(2).	Depreciation Schedule	2004	\$ 463
(3).	Depreciation Schedule	2005	\$ 1,085

8. Refer to Exhibit D of the Application, Adjustment (s), Amortization.

a. Mallard Point requests recovery of the estimated legal fees of \$8,000 amortized over 3 years. Provide copies of the invoices from Mallard Point's attorney to support the legal fees that have been incurred as of the date of the response to this data

request. The invoices should contain detailed descriptions of the services, the amount of time billed for each service, and the hourly billing rate.

b. Provide a detailed explanation of the referenced amortization adjustment of \$722.

9. Of the reported test-period taxes of \$4,239, Mallard Point identifies \$1,277 as other taxes and licenses.² Provide a list of the taxes and licenses that comprise the balance of \$1,277. Include a detailed description and documentation for each item in the list.

10. According to Exhibit C of the Application, Mallard Point recorded in the calendar year 2004 amortization expense of \$7,144. Provide a breakdown of this amount and supporting calculations for each item in the breakdown.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED: August 29, 2005

cc: Parties of Record

² Annual Report of Mallard Disposal Systems, Inc. to the Kentucky Public Service Commission for the Year Ended December 31, 2004 at 10.