

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

A PURCHASE WATER ADJUSTMENT)
OF HEDGEVILLE WATER) CASE NO. 8357
ASSOCIATION INC.)

O R D E R

IT IS ORDERED that Hedgeville Water Association shall file an original and five copies of the following information with the Commission by November 23, 1981. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

1) Exhibit A of your application shows water cost at your new rate to be \$25,904.51. Exhibit B shows water cost at your new rate to be \$25,990.53. Provide a reconciliation of this difference.

2) Explain and support the derivation of the 25 percent water purchase adjustment as shown in exhibit A.

3) According to the calculation on the second page of exhibit B the maximum allowable increase in revenue your rates should generate would be \$9,156.28. In light of that fact explain and provide support for the fact that your calculation on exhibit A generates additional revenue of \$12,083.27 and you have in fact used that figure in exhibit D.

4) Provide a copy of your purchase water contract with the City of Danville.

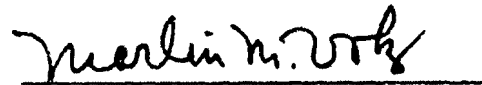
5) Explain in detail the 20 percent surcharge on metered sales included in exhibit B.

6) Does the depreciation expense for the test period include any depreciation on contributed property? If so how much?

7) Included in your Income Statement for the test period are certain accounts which had not previously been reported in your annual report (Utilities, Insurance, and Postage). Please submit a revised income statement with all operating expense items classified as they have been reported on pages 10 and 11 of your annual report in the past. This would include breaking down salaries into accounts 901, 902, and 920.

Done at Frankfort, Kentucky, this 6th day of November, 1981.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary