

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF R.A. WILLIAMS )  
DEVELOPMENT COMPANY D/B/A CEDARBROOK ) CASE NO. 8582  
TREATMENT PLANT FOR AN ADJUSTMENT )  
OF RATES )

ORDER

IT IS ORDERED that R.A. Williams Development Company shall file an original and six copies of the following information with this Commission by October 20, 1982. 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) Provide copies of the 1981 utility bills (electric, water, etc.).

(2) Provide for 1981 a list of any labor expenses included in the operation and maintenance expense accounts. Include the name of the person receiving the compensation and the work performed by each individual.

(3) Provide a breakdown of the actual expenses included in the following accounts during 1981:

(a) Maintenance	\$3,600.00
(b) Repairs	697.98
(c) Supplies	309.07
(d) Taxes	154.53

Provide copies of invoices for all costs in excess of \$50 supporting the actual 1981 reported expenses.

(4) Adjustment number 4 indicates that a \$600 increase in billing and bookkeeping has occurred since the last annual report was filed. The explanation provided for that adjustment indicates that the \$600 increase represents billing, collecting and bookkeeping as well as the preparation of financial statements. Please provide the following information relating to this adjustment.

- (a) The actual amount of billing, bookkeeping and collecting expense for 1981.
- (b) The actual expense for the preparation of financial statements for 1981.
- (c) Explain where in the breakdown of the 1981 operating expenses that each expense is reported.
- (d) Explain the basis of the increase in each expense item and the amount of the \$600 total increase attributable to each.

(5) The Uniform System of Accounts for Sewer Utilities provides two accounts for accounting for uncollectible accounts, Account 144, Accumulated Provision for Uncollectible Accounts for balance sheet reporting and Account 904, Uncollectible Accounts Expense for income statement reporting. This utility has not reported any amounts in these accounts in each of the last 3 years yet states in the explanation of adjustment 8 that during 1981 uncollectibles were \$2,383. Please fully explain the absence of uncollectibles in the annual reports of the utility.

(6) Please explain in detail why the revenues reported for 1981 are less than the total annual revenue based on the current rate of \$7 per month and the 54 customers.

(7) The Commission has received several letters from consumers concerning this rate application. One writer states that he has spoken with his neighbors and has found that several families do not pay for their sewage service. Provide a complete list of any customers served without charge.

(8) Provide copies of the federal and state income tax returns for this utility since its inception.

Done at Frankfort, Kentucky, this 1st day of October, 1982.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary