

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

IT IS ORDERED that R. A. Williams Development Company shall file an original and six copies of the following information with this Commission by January 5, 1983. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

(1) Provide an analysis of the EPA testing expense incurred during the test year. Include in the analysis the account charged with the EPA testing expense during the test year.

(2) In January 1982, Cedarbrook Treatment Plant entered into a new maintenance contract. The application states that two hours labor per month in addition to those services provided under the maintenance contract will be required. Please explain the basis of this estimated additional labor. In addition, provide a copy of the previous maintenance contract with Mr. Kenneth Simpson, the former operator of the plant. If no written contract exists, provide a narrative

of his duties and responsibilities and the terms and conditions of the oral monthly maintenance agreement.

(3) Provide a complete explanation of all steps taken by Cedarbrook to improve collection of its delinquent accounts. Include documentation of the steps taken whenever possible.

(4) Adjustment number eight states that accounts receivable over 1 year old and therefore deemed uncollectible by Cedarbrook total \$1,980. What portion of the customers, whose delinquent accounts comprise this total, continue to receive sewage service from Cedarbrook?

(5) Provide a copy of the contract with the manager of the sewage treatment facility. If no written contract exists, provide a narrative explanation of the manager's duties and responsibilities.

(6) In support of the repairs expense of \$698 reported for 1981 four invoices totaling that amount have been supplied. It has been noted that two of the invoices, one from Grainger in the amount of \$179.68 and one from Pollution Control in the amount of \$277.73 provide insufficient detail to provide the Commission a complete understanding of the expenditure. Regarding the invoices mentioned provide a complete explanation of each expenditure.

(7) It is the Commission's policy to deny adjustments requesting interest expense on funds supplied to finance previous years operating deficits. It is the Commission's position that to allow a utility to recover the finance charges

on funds used to cover previous years operating deficits would constitute retroactive rate-making by the Commission and should therefore not be permitted. In order for the Commission to make an informed decision in this case, provide all information or arguments available in support of Cedarbrook's proposed adjustment to recover interest expense on funds used to finance previous years deficits.

(8) Included in response to item number four of the Commission's Order of October 1, 1982, is a breakdown of the \$600 expense item identified as billing and bookkeeping. Provide an explanation of how each component of the breakdown was determined. Include with the explanation copies of any invoices or workpapers available to support the stated expense.

Done at Frankfort, Kentucky, this 16th day of December, 1982.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary