

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE WOOD CREEK)
WATER DISTRICT, OF LAUREL COUNTY,)
KENTUCKY, FOR (1) A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY,)
AUTHORIZING AND PERMITTING SAID)
WATER DISTRICT TO CONSTRUCT A WATER-)
WORKS CONSTRUCTION PROJECT, CONSISTING)
OF EXTENSIONS, ADDITIONS, AND IMPROVE-) CASE NO. 8643
MENTS TO THE EXISTING WATERWORKS)
SYSTEM OF THE DISTRICT; (2) APPROVAL)
OF THE PROPOSED PLAN OF FINANCING OF)
SAID PROJECT; AND (3) APPROVAL OF THE)
INCREASED WATER RATES PROPOSED TO BE)
CHARGED BY THE DISTRICT TO CUSTOMERS)
OF THE DISTRICT)

O R D E R

IT IS ORDERED that Wood Creek Water District shall file an original and seven copies of the following information with the Commission by October 30, 1982. If the information requested or a motion for an extension of time is not filed by the stated date, the Commission may dismiss the case without prejudice.

1) Provide Exhibits J, K and L, which evidently were omitted from the material filed with the Commission on September 8, 1982.

2) Provide a depreciation schedule on the proposed new construction.

3) Provide a revised billing analysis for the 12-month period ending June 30, 1982, showing usage in 100 gallon increments through the 0 to 5,000 usage levels and in 1,000 gallons increments for higher usage levels. Provide actual annual usage for West Laurel Water District, East Laurel Water District and City of London. Provide a list showing number of customers for each meter size. Provide total actual usage for the 12-month period.

4) Provide a list of all special charges presently being made including: Connection charges (tap-on fees) for each size meter, meter testing charge, reconnection/disconnection charges, premise trips, etc. Provide cost justification for any special charges proposed to be increased.

5) Exhibit M, a schedule of projected gross revenues, expenses, and net revenues based on proposed increased rates, shows projected revenue from water sales of \$419,868 for 1982 and \$440,861 for 1983. However, Exhibit N, the billing analysis, shows annual projected revenue of \$542,218. Please reconcile the apparent discrepancy between these two exhibits.

6) The accounts below showed large increases between 1981 and the test period ending June 30, 1982. For each account, provide a listing of all expenses over \$100 for the test period and the purpose of the expense.

	<u>\$</u> <u>1981</u>	<u>\$</u> <u>Test Period</u>
<u>Maintenance Expenses:</u>		
Maintenance of mains	3,497	5,843
Maintenance of services	1,952	4,274
Maintenance of meters	4,285	6,733
Maintenance of pumping	569	2,936
<u>Supplies and Expenses:</u>		
Water treatment operations	8,401	11,709
Office supplies and expenses	6,353	11,157
Transmission and distribution	6,107	7,520

7) Provide an explanation for the increase in property insurance costs from \$2,313 in 1981 to \$6,243 for the test period.

8) Provide a breakdown of payments for injuries and damages (Account No. 925) from 1979 to the end of the test period.

9) Explain and substantiate the recent increases in: a) power for pumping, which increased from \$28,868 for 1979 to \$61,224 for the test period, and b) chemicals expense, which increased from \$12,936 for 1979 to \$29,002 for the test period.

10) In Exhibit C, the Letter of Conditions, item 15 contains a breakdown of costs for the new construction. This cost breakdown includes \$50,000 of interest cost. Provide an explanation for the capitalization of this interest.

Done at Frankfort, Kentucky, this 4th day of October, 1982.

PUBLIC SERVICE COMMISSION

ATTEST:


For the Commission

Secretary