

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

THE APPLICATION OF ENVIRO UTILITIES, INC.)
FOR AN ADJUSTMENT OF RATES PURSUANT TO) CASE NO. 8688
THE ALTERNATIVE PROCEDURE FOR SMALL)
UTILITIES)

O R D E R

IT IS ORDERED that Enviro Utilities, Inc. ("Enviro"), shall file an original and six copies of the following information with the Commission by December 28, 1982. 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 copies of Enviros' test period monthly electric and water bills.

2) Submit a copy of the contract with the manager of the sewage treatment facility. If no written contract exists, provide a narrative of the duties and responsibilities and the terms of employment.

3) Provide a detailed breakdown of the chemicals expense incurred by Enviro during the test year. List all items by invoice and include the name of the vendor, amount and description of each purchase.

4) Provide a verifiable estimate of the average consumers water bill in the area served by Enviro. This will serve as the basis of the calculation for the collection expense.

5) Provide an analysis of the outside services expense for Enviro during 1981. Provide copies of the statements received for these services.

6) Submit the statements for the property insurance expense incurred during the test year.

7) Provide an analysis of the transportation expense incurred during the test year showing how the amount of expense was determined.

8) Provide a detailed breakdown of the following accounts for 1981. List all items by invoice and include the name of the vendor, amount due and description of each purchase. Also provide details of any labor or other costs allocated to these accounts.

a) Account 701 Other - Labor, Materials and Expenses

b) Account 714 Maintenance of Treatment and Disposal Plant

c) Account 930 Miscellaneous General Expense

d) Account 931 Rents

9) Provide an explanation for the factors causing the large change in the following expense accounts from the 1980 level.

a) Account 714 Maintenance of Treatment and Disposal Plant

b) Account 921 Office Supplies and Other Expenses

c) Account 930 Miscellaneous General Expense

10) Provide an explanation as well as the calculations used to determine the projected total interest expense of \$14,905 identified as adjustment H. Also provide a complete explanation of the long term debt shown in the 1981 annual report in the amount of \$27,554 at an interest rate of 22% and identified as CCCSLA.

11) Provide an amortization schedule for each component of Enviro's outstanding debt.

12) The 1981 annual report indicates that the utility served 543 residential equivalents (RE) while the application for rate adjustment indicates 551 RE. Provide clarification of the actual number of customers for the test year. This clarification should include the total RE and a comprehensive breakdown of the RE by customer class (e.g. X number of commercial customers using Y number of RE).

13) The 1981 annual report indicates that the utility served 543 RE and the utility had \$48,634 in total sewage service revenue. However, 543 RE at the \$8.30 residential rate per month yeilds \$54,082.80 annual revenue. Provide an explanation for this \$5,448.80 discrepancy.

14) The application for rate adjustment indicates that the total amount of increased revenue requested is \$40,300; however, $551 \text{ RE} \times \$8.30 \times 12 = \$54,879.60$ and $551 \text{ RE} \times 14.05 \times 12 = \$92,898.60$ leaving a revenue increase of \$38,019 ($\$92,898.60 - \$54,879.60$). Provide an explanation for this discrepancy.

Done at Frankfort, Kentucky, this 13th day of December, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:
