

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

APPLICATION OF SOUTH CUMBERLAND)
WATER DISTRICT FOR RATE INCREASE)
PURSUANT TO ALTERNATE RATE) CASE NO. 8672
ADJUSTMENT PROCEDURE FOR SMALL)
UTILITIES)

O R D E R

IT IS ORDERED that South Cumberland Water District shall file an original and six copies of the following information with the Commission by January 21, 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. The billing analysis previously submitted contains information on 1 inch, 1½ inch and 2 inch meters. Please expand this to include the following information on both 5/8 X 3/4 inch and 3/4 inch meters:

- A) A usage table for each meter size;
- B) A revenue table for each meter size using the test year rates;
- C) A revenue table for each meter size using the proposed rates.

2. Please provide the number and type (size) of meter connections made in the test year.

3. Provide a complete list of connection charges collected during 1981 as set out in Format I attached. Explain any discrepancies in the total customers added during this period and the total customers paying a connection charge. Also, reconcile any differences in the total connection charges received and the total amount credited to contribution's in aid of construction Account 271 during the test year.

4. The 1981 annual report reflects that utility plant in service increased by \$8,444. Does this amount include all expenses for materials, labor and other expenses incurred for installation of new utility facilities in 1981?

5. Provide an explanation stating why there was less revenue generated in 1981 than in 1980, considering the fact that 4,224,810 more gallons of water was sold in 1981 than in 1980.

6. Included in the breakdown of the operation labor expense, Exhibit E, were several invoices from Billie Hammer and Lloyd Capp for labor expenses. Please provide an explanation stating if the work listed on each of these invoices was in connection with repairs to the existing system or if it was for the installation of new lines. If the labor was for both of these activities, please provide a breakdown between the two showing the amount of expense for repairs and the expense incurred for new installations separately.

7. In the response to a previous information request it was stated that W. B. Wyatt supervised the work performed by Mr. Lloyd Capp. If any compensation was received by Mr. Wyatt

for providing this service please provide the same information as requested in Item 6 as pertaining to this expense.

8. After examination of the invoices included in Exhibit F, the breakdown of operation supplies and other expenses, it has been found that several of the items listed on the invoices are items that should have been capitalized in accordance with the uniform system of accounts. Please provide an explanation as to why such items as meters, meter boxes, regulators, pipe, yokes and tubing were charged to account 641 rather than capitalized.

9. Please provide the electric bills for service provided from January 23, 1981, to February 23, 1981, for meter numbers 34095 and 33288.

10. Supply the present rates charged by Tri-County Membership Corporation for supplying electric service to South Cumberland and include any demand charge or customer charge applied to South Cumberland's bill as was requested in Item 4 of the previous information request.

11. In accordance with the Commission's regulations, in order to be eligible to file under the alternative rate adjustment procedure, a utility must have on file "fully completed annual reports for at least two (2) prior years when the applicant has been in existence that long". Upon review of the 1979 Annual Report for South Cumberland Water District it was found that this report was deficient in the items listed below. Completion of these items is necessary for the processing of this case. Please complete the following pages in full for the 1979 Annual Report.

- a. Water Utility Plant in Service Schedule on pages 4 and 5.
- b. Column b containing the number of customers and column c containing the gallons of water sold of the Statement of Income for the Year Schedule on page 10.
- c. Water Produced, Purchased and Distributed Schedule on page 12.

12. On November 11, 1980, the Commission issued an Order in Case No. 7132 that instructed South Cumberland to establish and maintain a program of emphasis on leak detection and correction until losses had been reduced to 15 percent. The Commission also ordered South Cumberland to submit monthly reports stating the quantity of water purchased, the quantity of water sold, and the quantity unaccounted for until line loss for the utility had been reduced to 15 percent. Please provide a narrative explanation of the progress that has been achieved in decreasing line losses under this program and copies of the monthly reports for the test year.

13. The 1981 Annual Report states that the number of customers is 410 yet the application submitted by South Cumberland lists the number of customers as 473. Provide an explanation for the discrepancy between the two amounts.

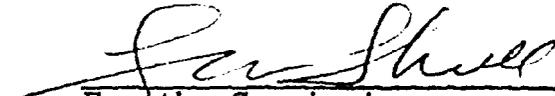
14. Of the total construction approved in Case Nos. 7132 and 7852 what is the status of the construction and what amount of funds has been acquired and what amount has been expended for the construction through the end of the test year? Also

provide the same information through the end of 1982 or the most recent date for which the information is available.

15. Provide a detailed analysis of the cost incurred for any legal, accounting, or other services acquired for the preparation of this rate application including the payee, dollar amount, account charged, hourly rates, time charged to the utility and a brief description of the service provided.

Done at Frankfort, Kentucky, this 11th day of January, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

FORMAT I

<u>Customer Name</u>	<u>Service Address</u>	<u>Amount of Connection Charge</u>	<u>Date Paid</u>	<u>Size of Meter Installed</u>	<u>Date of Installation</u>
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