

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF ENVIRO UTILITIES,	)	
INC., FOR AN ADJUSTMENT OF RATES	)	CASE NO.
PURSUANT TO THE ALTERNATIVE PROCEDURE	)	8688
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 May 3, 1983. If neither the requested information nor a motion for an extension of time if filed by the stated date, the case may be dismissed:

1. It is the Commission's policy to disallow depreciation associated with contributed property for rate-making purposes. Enviro Utilities 1981 balance sheet reflects total contributions of \$34,980, approximately 17 percent of Enviro's utility plant in service. In order for the Commission to make an informed decision in this case, provide all information or arguments available in support of Enviro's position on this issue.

2. Provide an explanation of the basis used to pro-rate the managers automobile expense between the various sewer companies.

3. Provide a complete breakdown of all finance charges billed Enviro by Andriot Davidson Service Company. Include an explanation of how the finance charge is computed along with the interest rate charged.

4. Provide copies of the remittance advices from Louisville Water Company for each month of the test year.

5. Provide an explanation of the circumstances which lead to the \$2,149 adjustment to retained earnings made during the test year.

6. Item number 11 of the Commission's request of December 13, 1982 contained a request for an amortization schedule for each component of Enviro's outstanding debt. The response provided by Enviro did not include the amortization schedules requested. Provide an amortization schedule for each component of Enviro's outstanding debt.

7. Enviro in its response to item 10 of the Attorney General's information request provided a schedule showing the derivation of Enviro's 1981 interest expense. The principle of the payable to Citizens Fidelity is shown as -0- on this schedule, indicating that this obligation has been completely paid off. Please explain why the interest of \$949 paid in 1981 has not been removed from the calculation of Enviro's pro forma interest expense since this obligation no longer exists.

8. Provide a copy of Enviro's most recent insurance bill.

9. Provide an explanation of the basis of using the average 1980 and 1981 expenses in determining Enviro's pro forma level of maintenance expense. In addition identify any specific maintenance costs expected to be incurred by Enviro for which the expense above the 1981 level would be needed.

10. Please explain why the aerator installed during the test period as evidenced by invoice no. 311-1 was charged to expense rather than capitalized. In addition explain why the aerator which was removed from service was not recorded as a retirement in the 1981 annual report.

11. Enviro had an outstanding long term debt to CCCSLA of \$27,554 at December 31, 1981. Regarding that item of debt, please provide the following :

A) The interest rate charged for each month of the test period and each month subsequent thereto.

B) The specific use of the loan funds by Enviro.

12. Provide evidence of Communication with other financial institutions indicating the request of Enviro to obtain the loan funds presently outstanding from other sources. If other loan sources were not contacted provide a complete explanation of the reason from the lack of negotiations for loans from other sources.

Done at Frankfort, Kentucky, this 22nd day of April, 1983.

ATTEST:

PUBLIC SERVICE COMMISSION

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Secretary

  
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By the Commission