

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES OF THE)
VALLEY TREATMENT PLANT, INC.) CASE NO. 8853

O R D E R

On October 18, 1983, a meeting was held with Valley Treatment Plant, Inc. ("Valley Treatment") for the purpose of discussing matters of significance regarding Valley Treatment's application for rate adjustment. During the course of the meeting it was concluded that additional information, relative to the issues addressed, would be required from Valley Treatment.

IT IS THEREFORE ORDERED that Valley Treatment shall file an original and eight copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by November 2, 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 a copy of the purchase agreement that was negotiated with American Fletcher Mortgage Company ("AFMC") for the acquisition of the subdivision land and the wastewater treatment plant of Elvessa Development Corporation.

2. Provide a detailed schedule of all assets purchased, including an inventory of the subdivision lots, that comprise the

non-utility property which was acquired as a result of the purchase referred to in Item 1.

3. In accordance with the format established per the Uniform System of Accounts for Class C and D Sewer Utilities, provide the following:

A. A revision of the entry that was made to record the acquisition of the subdivision land and treatment plant from AFMC, thereby establishing Presbourg Partnership.

B. A revision of the entry that was recorded to establish Valley Treatment.

4. With regard to the additional liabilities in the amount of \$141,000 that were incurred by Presbourg Partnership in its acquisition of the subdivision land and treatment plant, provide a breakdown of the individual notes that comprise the total amount, including for each liability:

A. The party to whom it is payable.

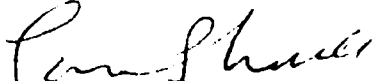
B. The amount of the payable.

C. The terms and conditions of its repayment.

5. Provide a billing analysis showing normalized test year revenues and proposed revenue. This billing analysis should show the new total residential equivalents.

Done at Frankfort, Kentucky, this 28th day of October, 1983.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary