

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE SHARPSBURG WATER )  
DISTRICT, OF BATH AND NICHOLAS COUNTIES, )  
KENTUCKY, FOR (1) A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND NECESSITY, )  
AUTHORIZING AND PERMITTING SAID WATER )  
DISTRICT TO CONSTRUCT A WATERWORKS CON- )  
STRUCTION PROJECT, CONSISTING OF )  
EXTENSIONS, ADDITIONS AND IMPROVEMENTS )  
TO THE EXISTING WATERWORKS SYSTEM OF THE )  
DISTRICT; (2) APPROVAL OF THE PROPOSED )  
PLAN OF REFINANCING THE OUTSTANDING BONDS )  
OF 1963 AND 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 )

CASE NO. 8896

O R D E R

IT IS ORDERED that Sharpsburg Water District ("Sharpsburg") shall file an original and six copies of the following information with the Commission by November 15, 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 Commission in its Order of September 23, 1983, required Sharpsburg to provide an income statement for the test period showing all adjustments to specific revenue and expense accounts along with a pro forma income statement. The information supplied by Sharpsburg is insufficient to

provide the Commission a complete understanding of the proposed adjustments. Therefore, Sharpsburg must file the following information as it pertains to its financial data.

- a). Provide a detailed income statement by account for the test period, including "Other Income," "Other Deductions" and "Net Income."
  - b). Show each individual proposed adjustment to the specific revenue or expense account to which it relates.
  - c). For each proposed adjustment include a detailed explanation including the reasons the adjustments are necessary, including all assumptions and calculations used to arrive at the amount of the adjustment and the projected annual cost for each account. Also, provide any additional data available in support of the adjustment (i.e. Copies of workpapers, actual invoices, notification from suppliers of price changes etc.)
  - d). Provide a detailed pro forma income statement showing the effect of the proposed adjustments.
  - e). Provide a balance sheet for the test period as required by 807 KAR 5:001, Section 6.
2. Provide the calculations and assumptions, including copies of workpapers, used to determine the increased revenue requested in the application.

3. Provide a copy of the electric bills for the test period.

4. Sharpsburg reports \$5,026 of repairs and maintenance expense for the test period. Provide copies of the invoices in support of repairs and maintenance expenditures over \$100. Include an explanation of each expenditure for which an invoice is provided.

5. Provide the following information for each employee or officer (including commissioners) employed by Sharpsburg during the test year.

- a.) Name of employee or officer,
- b.) For each commissioner, provide the personal mailing address,
- c.) Job title and a complete description of the duties and responsibilities of each individual,
- d.) Total amount of compensation and employee benefits charged to operating expenses for each employee and commissioner during the test year,
- e.) Rate of pay for each employee at the beginning of the test year and at the end of the test year,
- f.) Total amount of regular hours and overtime hours worked during the test year by each employee.

6. Provide a schedule which shows the type and amount of coverage provided and the annual premium for each insurance policy in force during the test year.

7. Provide an itemized listing of the costs incurred to date for the preparation of this case and an itemized estimate of the total cost to be incurred for this case. Indicate any costs incurred for this case that were incurred and included in operating expenses during the test year. Include the account charged for each amount and a complete narrative explanation of the services provided by each firm or individual rendering services in connection with this case.

8. Provide a detailed breakdown of the costs incurred in the following accounts for the test year. The analysis should include a brief description of each expenditure over \$50, the name of the vendor, the date and amount of the purchase, and the reference or voucher number.


- a.) Office expense - \$1,774
- b.) Supplies expense - \$3,157
- c.) Miscellaneous expense - \$1,199

9. The Commission, in its review of the monthly statements of revenue and expenses has noted that the total metered sales of water for the test period differs from that reported in the income statement for the test period. Commission calculations based on the monthly revenue indicate total metered sales of \$62,516 while the income statement reports metered sales of \$60,735. Please provide an explanation of this discrepancy.

10. Provide an amortization schedule of the bond issue of 1984, Series A and Series B.

Done at Frankfort, Kentucky, this 1st day of November, 1983.

PUBLIC SERVICE COMMISSION

  
By the Commission

ATTEST:

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Secretary