

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF ALTON WATER DIS-)
TRICT, FOR AN ADJUSTMENT OF RATES)
PURSUANT TO THE ALTERNATIVE PROCEDURE) CASE NO. 8914
FOR SMALL UTILITIES)

O R D E R

IT IS ORDERED that Alton Water District ("Alton") shall file an original and six copies of the following information with the Commission by November 11, 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 electric bills for the test period (Calendar year 1982).

2. Provide copies of the water bills for the test period from the City of Lawrenceburg.

3. Provide copies of the invoices in support of expenditures over \$100 reported in Account 653, Maintenance of Meters. Include an explanation of each expenditure for which an invoice is provided.

4. For each employee or officer (including commissioners) employed by Alton during the test year provide the following information:

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 concerning the individual.

d) Total amount of compensation and employee benefits charged to operating expenses for each employee 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.

5. 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.

6. It is the Commission's policy to disallow depreciation associated with contributed property for rate-making purposes. Alton's 1982 balance sheet reflects total contributions of \$106,373, approximately 57 percent of Alton's utility plant in service. In response to question no. 6(b) on page four of the application Alton reports that none of the utility plant was contributed. In order for the Commission to make an informed decision in this case, please explain this discrepancy, and provide all information or arguments available in support of Alton's position on this issue.

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 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 complete explanation, including copies of workpapers, of the calculations and assumptions used to determine the increased revenue requested in this case.

9. Provide all information available in support of the estimated 15 percent increase in electric expense and 9 percent increase in supplies and expenses. Provide documentation from suppliers of price increases or any other evidence in support of the proposed increases.

10. Provide the approximate cost of improvements to pumping station mentioned in Item III-A of the application.

11. 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) Account 903 - Supplies and Expenses

b) Account 921 - Office Supplies and Other Expenses

12. Provide a complete explanation of the amortization expense of \$486 reported for the test period. Include a description of the item being amortized as well as the amortization period.

13. Provide a description of the source of the miscellaneous service revenue of \$595 and the other water revenue of \$175 reported for the test period.

14. In Item III-A(1) of the application Alton has provided information that it feels should be brought to the Commission's attention in its review of this case. The description provided of the three items mentioned by Alton is of insufficient detail to allow the Commission a complete understanding of each item. For each item of additional information listed, provide a full and complete description in sufficient detail to afford the Commission an understanding of the item and the requested rate-making treatment of each item. Include copies of invoices, quotes from suppliers, estimated costs and completion dates and any other information available to Alton necessary to afford the Commission a complete understanding of the item.

15. Provide an amortization schedule of each component of Alton's long-term debt.

16. Your application shows current rates for Class A customers to be \$10.00 minimum for the first 10,000 gallons, 85 cents for the next 5,000 gallons per 1,000 gallons and 75 cents for all over 15,000 gallons per 1,000 gallons. Your tariff on file with the Commission shows a \$10.00 minimum for the first 10,000 gallons, 85 cents for the next 5,000 gallons per 1,000 gallons, 75 cents for the next 5,000 gallons per 1,000 gallons and 65 cents for all over 20,000 gallons per 1,000 gallons. Provide an explanation as to why the last rate step was dropped which

results in charging higher rates to your customers than have been authorized by the Commission.

17. Supply cost justification to support the \$250 tap fee for Class A and B and Field or Pasture Connections. A copy of a cost justification form is attached for your convenience.

18. Provide a billing analysis for Class B and C customers showing present rates.

19. Provide a billing analysis for proposed rates showing proposed revenue. This billing analysis must cover the same period as billing analysis showing present rates and revenue.

20. What is your present cost of water per 1,000 gallons?

Done at Frankfort, Kentucky, this 25th day of October, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

COMMONWEALTH OF KENTUCKY
 PUBLIC SERVICE COMMISSION
 P.O. BOX 615
 FRANKFORT, KENTUCKY 40602

Average Metered Service Connection Expense

Name of Utility: _____ Address: _____

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch 3/4-Inch 1-Inch 1 1/2-Inch 2-Inch

Other (specify) _____

B. Materials Expense

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Water Meter	_____	\$ _____	\$ _____
2. Meter Yoke	_____	_____	_____
3. Corporation Stop	_____	_____	_____
4. Meter Box and Top	_____	_____	_____
5. Miscellaneous Fittings	_____	_____	_____
(Itemize)	_____	_____	_____
6. Subtotal (Add column 3)			\$

C. Service Pipe Expense

Type of Service Pipe: _____ Size of Service Pipe _____

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Short Side Service	_____ L.F.	\$ _____	L.F. _____
2. Long Side Service	_____ L.F.	_____	L.F. _____
3. Subtotal (Add column 3 and divide by 2)			\$

D. Installation Expense

Labor

	<u>Total Hours</u>	<u>Rate Per Hour</u>	<u>Total Cost</u>
1. Short Side Service	_____	\$ _____	\$ _____
2. Long Side Service	_____	_____	_____
3. Subtotal (Add column 3 and divide by 2)			\$

Equipment

	<u>Total Hours</u>	<u>Rate Per Hour</u>	<u>Total Cost</u>
1. Short Side Service	_____	\$ _____	\$ _____
2. Long Side Service	_____	_____	_____
3. Subtotal (Add column 3 and divide by 2)			\$

Miscellaneous

	<u>Total</u>	<u>Rate Per Hour</u>	<u>Total Cost</u>
1. Inspection	_____	_____	_____
2. Site Clean-Up	_____	_____	_____
3. Other (Itemize)	_____	_____	_____
4. Subtotal (Add column 3)			\$

E. Overhead Expense

1. Installation expense (\$ _____) x
overhead rate (_____%)

\$

F. Administrative Expense

1. Office expense for establishing a new account
and billing record.

\$

G. Expense Summary

1. Total of items B-F

\$