

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF SANITATION)
DISTRICT NO. 1 OF MARSHALL)
COUNTY, KENTUCKY FOR AN ADJUST-)
MENT OF RATES PURSUANT TO THE) CASE NO. 8918
ALTERNATIVE PROCEDURE FOR SMALL)
UTILITIES)

O R D E R

IT IS ORDERED that Sanitation District No. 1 of Marshall County, Kentucky ("Sanitation District No. 1") shall file an original and seven copies of the following information with the Commission with a copy to all parties of record by November 18, 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.

It is the policy of this Commission to allow only known and measurable increases to actual test year expenses which can be substantiated by submitting a copy of invoices and other related material in support of the increase to the actual expense.

1. On page 1 of the 1982 Annual Report of Sanitation District No. 1, it is stated that the district has entered into a contract for bookkeeping services and the operation of the treatment plant. Provide a copy of each contract which should show the recipient of the fee, number of hours worked each week and/or month and the period of the contract in support of annual charges

during the test period of \$1,440 for bookkeeping services and \$6,345 for the operation of the treatment plant.

2. Provide copies of the monthly water bills (\$2,845) and electric bills (\$6,422 + pro forma adjustment of \$3,417) for the test period.

3. Provide a copy of the invoices for the following test year expenses:

A. Chemicals and Analysis Expense (\$1,083).

B. Maintenance of Treatment Plant (\$1,500), (limited to invoices of \$20 and over.)

4. Provide a copy of an invoice and/or a letter from Sanitation District No. 1's insurance agent which will substantiate the adjusted insurance expense of \$951 for the test period.

5. Provide a copy of the computation showing the gross utility plant and depreciation rates used in determining depreciation expense of \$1,440 for the test period.

6. Provide a copy of the amortization schedule and interest rate applicable to the loan of \$70,000 received from the Farmers Home Administration.

7. Will the pro forma interest expense of \$4,080 be paid from the operating revenues of the district, or from funds remaining in the FHA supervised account?

8. Are any rate case expenses included in the test period expenses for preparation of this rate application? If so, provide itemized invoices (Legal, accounting, etc.) setting out each segment of the duties performed and the hourly rate.

9. To date, are there any funds remaining in the FHA construction fund account? If so, how much?

10. Provide the following information related to the 210,000 GPD capacity of the sewage treatment plant:

A. What is the current rated capacity of the sewage treatment plant?

B. What is the average daily flow of the sewage treatment plant?

C. What was the peak daily flow to the sewage treatment plant during the test period?

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

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary