

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

MAYO VILLAGE WATER COMPANY'S )  
NOTICE OF ADJUSTMENT OF RATES )  
AND APPLICATION PURSUANT TO ) CASE NO. 8992  
807 KAR 5:001, SECTION 9, FOR )  
AUTHORITY TO ADJUST RATES )

O R D E R

IT IS ORDERED that Mayo Village Water Company, Inc., ("Mayo Village") shall file an original and seven copies of the following information with the Commission by June 15, 1984. In the event the requested information is not available, Mayo Village shall state explicitly why the information cannot be furnished. If neither the response nor a motion for extension of time is filed by the stated date, the case may be dismissed. Also, for each item of requested information, Mayo Village shall state the name of the individual who will be available at the hearing to respond to questions regarding that requested information.

1. Provide an analysis of all employees compensation and all contract labor for 1983. For each individual receiving compensation this analysis should include the name, the job title, the job description, the people supervised (if appropriate), the basis of compensation (whether hourly, weekly, annually, etc.) the average weekly hours worked in performance of duties, the compensation at the beginning of 1983, the effective date of pay

increase in compensation occurring in 1983 and the new level of compensation, the total annual amount of compensation, any allocation between utility and nonutility functions, the account to which the utility portion was charged along with the basis and calculations supporting any allocation among accounts.

2. Provide a complete explanation as to how the proposed 1984 increase in compensation for each individual was determined. In reference to your response dated April 11, 1984, this explanation should include for each individual the duties performed, the hours per week spent performing these duties, the rate per hour, the total weekly and annual amounts of compensation.

3. Provide an analysis of Account 922--Outside Services Employed. This analysis should include, the recipient, the duties performed, the total hours, the hourly rate, the extended amount, the portion attributable to the T.V. cable business, the portion devoted to personal business, and the portion devoted to utility business. If this function is performed on a contract basis, provide details as to how the contract was let including the terms and prices of contracts rejected. Also, provide a copy of the current contract or terms of any verbal agreement.

4. Provide an analysis of existing debt service for each year 1984 through 1988. This analysis should include principal retirements, interest payments, sinking fund requirements accompa-

nied with a detailed explanation of and calculations supporting the requirements, the portion of interest, principal, and sinking fund requirements apportionable to the T.V. cable business, personal affairs, and utility business.

5. Provide a detailed explanation of Item No. 6 on page 2 of your application - Miscellaneous. Provide the name of the authority requiring the tests, documentation supporting the requirement, a detailed description of the tests, the number of hours required to perform the test, the hourly rate, the extended total, and the proposed payee. Also, explain any efforts to obtain competitive bids for like services including the prices.

6. Provide a detailed analysis of Meter-Reading Expenses-- Account 902. Show the amounts and the mileage attributable to each employee, the purpose of the mileage, the total mileage, the mileage attributable to personal affairs, the mileage attributable to the T.V. cable business, and the mileage attributable to the water utility business. Also provide a thorough explanation on the necessity of this level of expense relative to the 2-1/2 miles of water line as testified by Mr. Chaney in the Commission's Order dated August 5, 1981, Case No. 8136, Notice of Mayo Village Water Company, Inc., Pursuant to KRS 278.180, 278.190, and Related Statutes.

7. In reference to your responses to the Assistant Attorney General's questions in the request dated March 26, 1984, provide a complete detailed explanation of the basis of allocation of all of these expenses and:

a. Provide the amount of refunds attributable to overpayments and the amount of refunds attributable to deposits. For each of these amounts provide the portion associated with the T.V. cable franchise and the portion associated with the water company. Also, provide a narrative explaining how deposits and overpayments of the water company are accounted for separately from the T.V. cable franchise.

b. Provide the amounts of electric expense attributable to personal affairs, to the T.V. cable franchise, and to the water company. Also, provide comments justifying this level of expense for a one room office as testified by Mr. Chaney in Case No. 8136.

c. Provide the amounts of the annual gas bill attributable to personal affairs, to the T.V. cable franchise, and to the water company. Also, provide comments justifying this level of expense for a one room office as testified by Mr. Chaney in Case No. 8136.

d. Provide the amounts of the telephone expense attributable to personal affairs, to the T.V. cable franchise, and to the water company. Provide copies of the telephone bills including the detail of long distance billing. For each long distance number called, provide a brief explanation of the water company's business purpose.

e. For all office supplies (\$732.12 total), provide the amounts associated with personal affairs, with the T.V. cable franchise, and the water company.

f. In reference to the flood insurance invoice, provide a description of the building, a description of the contents, the owner of the assets (i.e., The Chaney's, Mayo Village, T.V. cable franchise). If these assets belong to Mayo Village, provide comments as to why they are not listed as an asset in the Annual Report of Mayo Village.

g. For the encroachment invoice, provide the amount attributable to the T.V. cable franchise, and the amount associated with the water company.

h. In reference to the multi-peril insurance invoice, provide a description of the building, the owner of the asset (i.e., The Chaney's, T.V. cable franchise, Mayo Village). If the building belongs to Mayo Village, provide a narrative as to why the building is not listed as an asset in Mayo Village's Annual Report.

8. Provide the amount expended for professional accounting services on the books of the T.V. cable franchise.

9. Provide the amount expended for transportation on the 1983 books of the T.V. cable franchise.

10. Provide the amount expended on the 1983 books of the T.V. cable franchise for office supplies.

11. Are Mr. and Mrs. Chaney covered under workman's compensation while performing duties for the T.V. cable franchise? If so, provide the amount expended for workman's compensation on the 1983 books of the T.V. cable franchise.

12. Provide compiled, reviewed, or audited financial statements for the T.V. cable franchise for calendar year 1983.

13. Provide copies of all documents (i.e., tax returns, financial reports) and related schedules associated with professional accounting services expensed on the 1983 Annual Report for Mayo Village.

14. Page 3 of the application and the billing analysis show rates currently being charged which are higher by 20 cents per 1,000 gallons than the rates authorized by the Commission in Case No. 8136 (Appendix A to Order No. 8136 attached).

a. Are the rates shown in the application currently being charged?

b. If not, provide rate schedules showing the current rates and those charged during the test year.

c. If so, what date were these rates placed into effect?

d. Provide authority upon which the higher rates are based.

e. Provide detailed information in comparative form showing the amount of additional revenue associated with the higher rates versus the rates authorized in Case No. 8136.

15. Page 3 of the application shows a \$25 hookup fee. The tariff on file with the Commission shows a connection fee of \$10 and neither a hookup fee nor an increase in the connection fee was granted in Case No. 8136.

a. Are the hookup fee and connection fee the same or are different services provided for these fees? Explain.

b. If they are the same, provide cost justification for the increase from \$10 to \$25.

c. If the fees are for different services, provide cost justification for the new hookup fee.

d. What date was the \$25 hookup fee placed into effect?

16. The 1983 Annual Report and the application show total water sales of \$37,868. This was adjusted to \$38,717 in order to reconcile billings at the beginning and ending of the test period with actual test year usage. The billing analysis shows revenues generated from current rates of \$40,801, a difference of \$2,084. Please explain this difference.

17. Provide the tax return for 1983 of May Village.

Done at Frankfort, Kentucky, this 4th day of June, 1984.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary

## Appendix A

Appendix to an Order of the Public Service Commission  
in Case No. 8136 dated August 5, 1981.

The following rates and charges are prescribed for the customers in the area served by Mayo Village Water Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect prior to the date of this Order.

### Monthly Rate

#### 5/8" Meter

First	2,000 gallons	\$8.00 minimum bill
Next	3,000 gallons	2.80 per 1,000 gallons
Next	15,000 gallons	2.30 per 1,000 gallons
Next	30,000 gallons	1.70 per 1,000 gallons
Over	50,000 gallons	1.40 per 1,000 gallons

#### 1" Meter

First	2,000 gallons	\$10.50 minimum bill
Next	3,000 gallons	2.80 per 1,000 gallons
Next	15,000 gallons	2.30 per 1,000 gallons
Next	30,000 gallons	1.70 per 1,000 gallons
Over	50,000 gallons	1.40 per 1,000 gallons