

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE CANNONSBURG )  
WATER DISTRICT, INC., A WATER DISTRICT )  
ORGANIZED PURSUANT TO CHAPTER 74 OF )  
THE KENTUCKY REVISED STATUTES OF )  
BOYD COUNTY, KENTUCKY, FOR (1) A CER- )  
TIFICATE OF PUBLIC CONVENIENCE AND )  
NECESSITY, AUTHORIZING AND PERMITTING )  
SAID WATER DISTRICT TO CONSTRUCT A )  
BOOSTER STATION AT BRIARWOOD ESTATES )  
AND THE RENOVATION OF TWO STANDPIPE )  
WATER TANKS IN SAID SYSTEM, (2) )  
APPROVAL OF THE PROPOSED PLAN OF )  
FINANCING OF SAID PROJECTS AND )  
APPROVAL OF THE WATER RATES PROPOSED )  
TO BE CHARGED BY THE DISTRICT OF CUS- )  
TOMERS OF THE DISTRICT )

CASE NO. 9036

O R D E R

IT IS ORDERED that Cannonsburg Water District, Inc., ("Cannonsburg") shall file an original and six copies of the following information with the Commission by July 7, 1984. 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. In reference to the response to Item No. 4 of the information request dated June 1, 1984, the Certified Public Accountant made adjusting entries (entry numbers 5, 30, and 6) to capitalize previously expensed items. These are reversing entries and necessarily relate to specific items or portions of specific items previously expensed. Provide the specific items and/or portions of items previously expensed which are associated with

each of the above-mentioned adjusting entries. The total of the specific items should be \$16,960.05. Also, provide the cost of all labor associated with these capitalized items, as well as the amount of labor costs which have been capitalized.

2. In reference to the response to Item No. 5 of the information request dated June 1, 1984, provide all documented evidence, all calculations and all assumptions supporting the Certified Public Accountant's adjustments of \$1,762 to Account 622--Fuel or Power Purchased Expense.

3. Schedule Ic, page 2, lists four pieces of transportation equipment. Your response to Item No. 8 of the information request dated June 1, 1984, indicates seven pieces of transportation equipment. Provide a breakdown of Account 392--Transportation Equipment. This breakdown should include a description of the asset, the original cost, the in-service date, the accumulated depreciation as of the beginning of 1983, and the depreciation for 1983. Provide the mileage not associated with daily operations for each piece of transportation equipment plus all other costs related to the above mileage. Also, provide a narrative explaining the necessity of this number of vehicles in relationship to the three laborers, one foreman, and one manager as stated in your reply to Item No. 10 of the same information request.

4. In reference to your response to Item No. 9 of the information request dated June 1, 1984, the Certified Public Accountant made a reversing entry of \$6,084 for work done on the Coffey Line and the Corbin Line. Provide all line items or portions of line items to which this reversal entry pertains. The

total of the line items should reconcile to \$6,084. Also, for all line items which have the sole explanation as "Engineering Fees" and are not included in the explanation of the adjustment above, provide a description of the nature of the work performed and the purpose of the duties performed.

5. In reference to the response to Item No. 11 of the information request dated June 1, 1984, you state that the employees have not had a raise since November 1981. Why do you feel that the entire 1981 inflation is a reasonable factor to be included in a wage increase when raises were given in November 1981?

6. Explain the necessity of a deferred compensation plan for each of the commissioners.

7. In reference to the response to Item No. 2 of the information request dated June 1, 1984, explain the necessity of the amounts expensed for uniform maintenance.

Done at Frankfort, Kentucky, this 27th day of June, 1984.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary