

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES OF THE)
SPEARS WATER COMPANY, INC.) CASE NO. 9067

O R D E R

IT IS ORDERED that the Spears Water Company, Inc., ("Spears") shall file an original and six copies of the following information with the Commission, with a copy to all parties of record, by July 24, 1984. If the information requested or a motion for an extension of time is not filed by the stated date, the Commission may dismiss the case without prejudice. Spears shall furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each item of information requested.

1. With reference to Exhibit "B" of the motion for interim rate relief; projected water revenues, forfeited discounts and service charges are essentially the same as actual results of the prior years, with the exception for June, correct? How was the projected water revenue for June determined? How as the projected level of school tax determined for July-October?

2. Describe in detail how a profit is made from the collection of school tax?

3. Provide an explanation of why no grants-in-aid are projected when all but one of the preceding 14 months reflected receipts.

4. Is it correct that the projected expenses shown for June-October are the same as those of the prior year?

5. Provide actual results for the month of June, 1984.

6. Provide an analysis of the expenses similar to the analysis presented in the general rate case for April, May and June, 1984.

7. Provide an explanation of why no customers deposits are projected?

8. Provide a full explanation of the line labeled "Amortized Over 3 Years"? Were these costs paid in a prior period? If so, when?

9. Provide a full explanation of the amounts labeled "Increased Interest Over Last Year"? Show how each number was determined.

10. Provide an explanation and derivation of projected principal payment. Identify specific notes and provide any amortization schedule or similar information used in this determination.

11. In that expenses projected for June-October are the same as the prior year, please provide the detail of the following expenses. As a minimum, this should include the date of payment, payee, amount, and a full description or other documentation of the services provided:

- (a) Maintenance of Mains for the entire 5 months.
- (b) Maintenance of Meters for the months of June and July.
- (c) Office Supplies for the months of September and October.
- (d) Property Insurance for the months of July and October.
- (e) Group Insurance for the months of July and October.
- (f) Legal and Professional Expense for the entire period.
- (g) Miscellaneous Expense for June.
- (h) Transportation Expense for June and September.
- (i) Interest Expense on Long Term Debt for the entire period.
- (j) Interest Expense on Short Term Debt for the entire period.

12. How many customers did you bill in June 1983, October 1983, April 1984, May 1984 and June 1984.

13. Would you agree that depreciation expense should not be included in your cash flow analysis?

14. With regard to April and May, 1984, provide information for the expenses indentified in question number 11 in a similar format.

Done at Frankfort, Kentucky, this 18th day of July, 1984.

PUBLIC SERVICE COMMISSION

ATTEST:

Acting Secretary

Richard D. Hemmings
For the Commission