

COMMONWEALTH OF KENTUCKY  
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

THE ADJUSTMENT OF RATES OF )  
BIG SANDY RURAL ELECTRIC )  
COOPERATIVE CORPORATION OF ) CASE NO. 8021  
CYNTHIANA, KENTUCKY )

O R D E R

IT IS ORDERED that Big Sandy Rural Electric Cooperative Corporation shall file with this Commission by December 22, 1980, the following information. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Page 2 of 5. Careful attention should be given to copied material to insure that it is legible.

Staff Request No. 1

1. In comparative form, an income statement and a statement of changes in financial position for the test year and the twelve-month period immediately preceding the test year.
2. The detailed work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the application, to revenue, expense, investment, and reserve accounts for the test year. Include a detailed narrative explanation of each adjustment and the reason why each adjustment is required. Explain all components used in each calculation and index each calculation to the adjustment which it supports.
3. A schedule of salaries and wages for the test year and each of the five calendar years preceding the test year as shown in Format 1, attached.
4. A detailed analysis of advertising expenditures during the test period. This analysis should include a breakdown of Account 913 - Advertising Expenses, as shown in Format 2, attached and should also show any advertising expenditures included in other expense accounts. The analysis should be specific as to the purpose and expected benefit of each expenditure.

5. An analysis of Account 930.2 - Miscellaneous General Expenses, for the test period. This should include a complete breakdown of this account as shown in attached Format 3, and also provide all detailed working papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure.

6. A detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

7. A copy of the auditor's report from your most recent audit.

8. A statement of electric plant in service, per company books for the test year, as shown in Format 4, attached.

9. Provide the utility's Times Interest Earned Ratio and Debt Service Coverage Ratio, as calculated by the Rural Electrification Administration, for the test year and the five preceding calendar years. Include the data used to calculate each ratio.

10. Provide details of the utility's policies regarding assignment, accumulation, and disbursement of patronage capital.

11. A breakdown of the following balance sheet accounts as of the end of the test year:

- (a) Investments in Associated Organizations - Patronage
- (b) Investments in Associated Organizations - Other
- (c) Other Investments

12. What was the date of the most recent depreciation study of the utility? When is the next planned study?

13. What were the findings and recommendations of the last study and when were they implemented?

14. Provide an analysis of the depreciation expense that was charged to clearing accounts during the test year, including the items of plant involved, the accounts charged, and the basis for the allocations.

15. Provide schedules of plant-in-service for the three most recent calendar years in the format used in the application, Page 4, Item 4. Show end-of-year balances, the depreciation rates in effect, and the annual depreciation for each plant account.

16. Provide the utility's return on net investment for the three most recent calendar years. Include the data used to calculate the rates of return.

17. Provide work papers showing how the 3.32% depreciation rate for distribution plant was determined.

Done at Frankfort, Kentucky, this 26th day of November, 1980.

ENERGY REGULATORY COMMISSION

  
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice Chairman

  
\_\_\_\_\_  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary



Big Sandy Rural Electric Cooperative Corporation

Case No. 8021

Line No.	Item (a)	12 Months Ended											
		Calendar Years Prior to Test Year					Test Year						
		5th	4th	3rd	2nd	1st	Amount	%	Amount	%	Amount	%	
		Amount (b)	% (c)	Amount (d)	% (e)	Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)	Amount (l)	% (m)

7. Administrative and general expenses (continued):

- (g) Employee pensions and benefits
- (h) Franchise requirements
- (l) Regulatory commission expense
- (j) Duplicate charges-cr. Miscellaneous general expense
- (l) Rents
- (m) Maintenance of general plant

- 8. Total administrative and general expenses L7(a) through L7 (m)
- 9. Total salaries and wages charged expense (L2 through L6 + L8)
- 10. Wages capitalized
- 11. Total of salaries and wages
- 12. Ratio of salaries and wages charged expense to total wages (L9 + L11)
- 13. Ratio of salaries and wages capitalized to total wages (L10 + L11)

NOTE: Show percent increase of each year over the prior year in columns (c), (e), (g), (i), (k), and (m).

## Big Sandy Rural Electric Cooperative Corporation

Case Number 8021

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended July 31, 1980

(Total Company)

(000's)

<u>Line No.</u>	<u>Item</u> (a)	<u>Sales or Promotional Advertising</u> (b)	<u>Institutional Advertising</u> (c)	<u>Conservation Advertising</u> (d)	<u>Rate Case</u> (e)	<u>Total</u> (f)
1.	Newspaper					
2.	Magazines and Other					
3.	Television					
4.	Radio					
5.	Direct Mail					
7.	Sales Aids					
8.	Total					
9.	Amount Assigned to Kentucky Retail					

## Big Sandy Rural Electric Cooperative Corporation

Case Number 8021

## ACCOUNT 930.2 MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended July 31, 1980

<u>Line No.</u>	<u>Item</u> (a)	<u>Amount</u> (b)
1.	Industry Association Dues	
2.	Institutional Advertising	
3.	Conservation Advertising	
4.	Rate Department Load Studies	
5.	Water, and Other Testing and Research	
6.	Directors' Fees and Expenses	
7.	Dues and Subscriptions	
8.	Miscellaneous	
9.	Total	

Account Number	Title of Accounts	Beginning Balance	Additions	Retirements	Transfers	Beginning Balance
	(a)	(b)	(c)	(d)	(e)	(f)
<u>Other Production Plant</u>						
340	Land and land rights					
341	Structures and improvements					
342	Fuel holders, producers and accessories					
343	Prime movers					
344	Generators					
345	Accessory electric equipment					
346	Miscellaneous power plant equipment					
106	Completed construction - not classified					
	Total other production plant					
	Total production plant					
<u>Transmission Plant</u>						
350	Land and land rights					
352	Structures and improvements					
353	Station equipment					
354	Towers and fixtures					
355	Poles and fixtures					
356	Overhead conductors and devices					
357	Underground conduit					
358	Underground conductors and devices					
359	Roads and trails					
106	Completed construction - not classified					
	Total transmission plant					
<u>Distribution Plant</u>						
360	Land and land rights					
361	Structures and improvements					
362	Station equipment					
364	Poles, towers and fixtures					
365	Overhead conductors and devices					
366	Underground conduit					
367	Underground conductors and devices					
368	Line transformers					
369	Services					
370	Meters					
371	Installations on customers' premises					
372	Leased property on customers' premises					
373	Street lighting and signal systems					
106	Completed construction - not classified					
	Total distribution plant					



Big Sandy Rural Electric Cooperative Corporation

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<u>Account Number</u>	<u>Title of Accounts</u> (a)	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
	<u>General Plant</u>					
389	Land and Land rights					
390	Structures and improvements					
391	Office furniture and equipment					
392	Transportation equipment					
393	Stores equipment					
394	Tools, shop and garage equipment					
395	Laboratory equipment					
396	Power operated equipment					
397	Communication equipment					
398	Miscellaneous equipment					
399	Other tangible property					
106	Completed construction - not classified					
	Total general plant					
100.1	Total electric plant in service					
	1000 KWH Sold					