

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

THE APPLICATION OF BLUE GRASS )  
RURAL ELECTRIC COOPERATIVE )  
CORPORATION OF NICHOLASVILLE, ) CASE NO. 8378  
KENTUCKY, FOR AN ORDER AUTHOR- )  
IZING AN INCREASE IN ITS RETAIL )  
RATES, APPLICABLE TO ALL CONSUMERS )

O R D E R

IT IS ORDERED that Blue Grass Rural Electric Cooperative Corporation shall file an original and five copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by January 19, 1982. 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. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

Information Request No. 1

1. In comparative form, an income statement, a statement of changes in financial position, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

2. A schedule of salaries and wages for the test year and each of the 5 calendar years preceding the test year as shown in Format 1, attached.

3. The board resolutions approving the November 1, 1980, and May 1, 1981, general wage adjustments.

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. This analysis should be specific as to the purpose and expected benefit of each expenditure.

5. An analysis of Account 930 - 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. 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 5 preceding calendar years. Include the data used to calculate each ratio.

9. Provide the utility's rate of return on net investment rate base for the test year and 5 preceding calendar years.

10. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in attached Format 4, and all detailed working papers supporting the analysis. At minimum, the working papers should show the payee, dollar amount, reference (i.e. voucher no., etc.), account charged, and a brief description of the service provided.

11. A copy of the most recent publication of the Borrower Statistical Profile for Blue Grass RECC as published by the Rural Electrification Administration.

12. A copy of Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for 1980.

13. The date and time of the most recent annual members' meeting. Provide the number of members in attendance, the number of members voting for new board members, the number of new board members elected, and a general description of the meeting's activities.

Done at Frankfort, Kentucky, this 21st day of December, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Vohz  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

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

~~\_\_\_\_\_~~  
Commissioner

Blue Grass Rural Electric Cooperative Corporation

Case No. 8378

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 1976 Through 1980  
And the 12-Month Period Ending June 30, 1981

(000's)

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

1. Wages charged to expense:
2. Power production expense
3. Transmission expenses
4. Distribution expenses
5. Customer accounts expense
6. Sales expenses
7. Administrative and general expenses:
  - (a) Administrative and general salaries
  - (b) Office supplies and expense
  - (c) Administrative expense transferred-cr.
  - (d) Outside services employed
  - (e) Property Insurance
  - (f) Injuries and damages

Blue Grass Rural Electric Cooperative Corporation

Case No. 8378

Format 1  
Schedule 2 of 2

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

7. Administrative and general expenses (continued):

- (g) Employee pensions and benefits
- (h) Franchise requirements
- (i) Regulatory commission expenses
- (j) Duplicate charges-cr.
- (k) 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 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)

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

## Blue Grass RECC

Case Number 8378

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended June 30, 1981

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

## Blue Grass Rural Electric Cooperative Corporation

Case Number 8378

## ACCOUNT 930 - MISCELLANEOUS EXPENSES

For the 12 Months Ended June 30, 1981

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

## Blue Grass Rural Electric Cooperative Corporation

Case No. 8378

## Professional Service Expenses

For the Twelve Months Ended June 30, 1981

<u>Line</u> <u>No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				