

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF ADJUSTMENT OF RATES AND)
CHARGES OF SOUTH CENTRAL RURAL)
TELEPHONE COOPERATIVE CORPORATION,)
INC., TO BE EFFECTIVE FEBRUARY 1, 1982)

AND)

APPLICATION OF SCRTC, INC., FOR)
ORDER PERMITTING ADJUSTMENT OF RATES)

CASE NO. 8433

O R D E R

IT IS ORDERED that South Central Rural Telephone Cooperative Corporation shall file an original and five copies of the following information with the Commission, with a copy to the Attorney General's Division of Consumer Protection, by February 25, 1982. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

1. Provide a copy of REA Form 479 for the quarter ending September 30, 1980.

2. With regard to the breakdown of Account 642 as shown on Exhibit 12 of the application, the purpose as defined in 807 KAR 5:016E of each expenditure and the expected benefit should be shown.

3. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in attached Format I, and all detailed working papers supporting the analysis. At minimum the working papers should show the payee, dollar amount, reference (i.e., voucher number, etc.) account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided.

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

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

6. 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 II, attached.

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

8. The estimated dates for draw downs of unadvanced loan funds at test year-end and the proposed uses of these funds.

9. Provide, in comparative form, end-of-period account balances for all plant accounts for the test year and the 3 preceding calendar years.

10. Provide a calculation of the rate or rates used to capitalize interest during construction for the test year and 3 preceding

calendar years, and include a narrative explanation of each component entering into the calculation of this rate.

11. Provide the data used to calculate the times interest earned ratio for each year as shown on Exhibit 15. Also provide the same data for the debt service coverage ratio.

12. A breakdown of operating and maintenance expenses by each account for the test year.

13a. If any changes were made in service charges during the test period, furnish detailed work papers showing revenue actually billed during the test year as service charges using test period units and end-of-test period rates with actual billed revenues.

b. Similarly show revenue adjustments for any other changes in rates or charges during the test period, due to base rate area-expansion, zone charges, exchange regrouping, etc.

14a. Provide four copies of the toll settlement summary forms for each of the months beginning with the third month prior to the start of the test period and continuing up to the month of the filing of the rate case.

b. Provide a statement of concurrence from South Central Bell and/or General Telephone that the test period intrastate toll settlement revenue is correct giving dollar amounts for each major class of total service settled. If concurrence cannot be obtained, provide a detailed statement of differences.

15a. Provide the status of all intrastate toll settlements, by major class of toll service, with South Central Bell and/or General Telephone that were pending at the beginning and at the end of the test period that would affect the test period intrastate toll revenues. Indicate the finality of these settlements with South Central Bell, and if they are not final, give the expected amounts and the expected dates they will be finalized. These amounts are to be reconciled with book entries including amounts accrued for anticipated future settlement adjustments.

b. Provide written explanations with the appropriate work papers of each change or adjustment in intrastate toll settlements which was booked during the test period, but was applicable to settlements outside the test period and which was booked outside the test period, but was applicable to settlements covering portions of the test period.

c. Provide any other information the applicant deems necessary to explain the debits and credits to its toll revenues in order to arrive at a representative level of end-of-test period intrastate toll revenues.

16. Provide explanations of the time periods used for quantity and revenue data in Exhibit 3, Sheets 7-18. If time period is other than last month of the test year, provide billing analysis for the last month of the test year.

Done at Frankfort, Kentucky, this 5th day of February, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Votz
For the Commission

ATTEST:

Secretary

SOUTH CENTRAL RURAL TELEPHONE COOPERATIVE CORPORATION, INC.

Case No. 8433

Professional Service Expenses

For the Twelve Months Ended September 30, 1981

| <u>Line 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 | | | | |

Commonwealth of Kentucky
 South Central Rural Telephone Cooperative Corporation, Inc.
 Case No. 8433

ANALYSIS OF SALARIES AND WAGES CHARGED TO EXPENSE
TEST YEAR ENDING September 30, 1981

| <u>Item</u> (a) | 12 Months Ended | | | | | <u>Test</u> <u>Year</u> (g) |
|--|--|-------------------|-------------------|-------------------|-------------------|-----------------------------------|
| | <u>Calendar Years Prior to Test Year</u> | | | | | |
| | <u>5th</u> (b) | <u>4th</u> (c) | <u>3rd</u> (d) | <u>2nd</u> (e) | <u>1st</u> (f) | |
| Maintenance | \$ | \$ | \$ | \$ | \$ | \$ |
| Traffic | | | | | | |
| Commercial | | | | | | |
| Revenue Accounting | | | | | | |
| General Office and Administrative Salaries: | | | | | | |
| (a) Executive Department | | | | | | |
| (b) Accounting Department ^{A/} | | | | | | |
| (c) Treasury Department | | | | | | |
| (d) Law Department | | | | | | |
| (e) Other General Office Salaries | | | | | | |
| (f) General Office and Administrative Salaries allocated to Kentucky | | | | | | |
| Total General Office Administrative Salaries (Line 6 thru 11) | | | | | | |
| Total Salaries and Wages Charged Expense (Lines 1 thru 4 + Line 12) | | | | | | |
| Construction | | | | | | |
| Total Salaries and Wages | \$ | \$ | \$ | \$ | \$ | \$ |
| Including Revenue Accounting Salaries and Wages | | | | | | |