

## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION TO PROVIDE ADEQUATE REVENUES FOR ITS OPERATIONS

CASE NO. 8447

#### ORDER

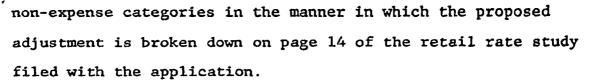
IT IS ORDERED that Licking Valley Rural Electric Cooperative Corporation shall file an original and five copies of the following information with the Commission, with a copy to the Attorney General's Division of Consumer Protection, by April 2, 1982. Where a number of sheets are required for an item, 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. The board resolution approving the January 1982 wage adjustment. Also provide the dates and hourly wage rates for any wage increases that took place during the test year.

2. An analysis of test year salaries and wages showing base pay and overtime pay broken down into expense and





3. A schedule of salaries and wages for the test year and each of the 5 preceding calendar years 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. This analysis should be specific as to the purpose and expected benefit of each expenditure.

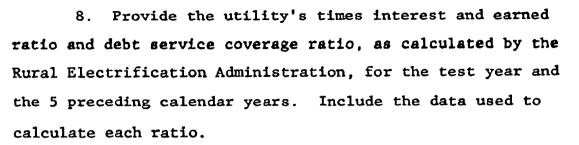
5. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This should include a complete breakdown of this account as shown in attached Format 3, and also provide all detailed work papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e., voucher number, etc.), dollar amount and brief description of the 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 the co-op's most recent audit.

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9. Provide the utility's rate of return on net investment rate base for the test year and the 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 work papers supporting the analysis. At minimum the work papers should show the payee, dollar amount, reference (i.e., voucher number, 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 Licking Valley RECC as published by the Rural Electrification Administration.

12. A copy of Kentucky's Electric Cooperatives Operating and Expense 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 elected, and a general description of the meeting's activities.

14. A copy of the cooperative's bylaws.

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Done at Frankfort, Kentucky, this 2nd day of March, 1982.

PUBLIC SERVICE COMMISSION

For the Commiss

ATTEST:

Secretary

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| <ul> <li>(a) Administrative and<br/>general salaries</li> <li>(b) Office supplies and<br/>expense</li> <li>(c) Administrative expense<br/>transferred-cr.</li> <li>(d) Outside services employed</li> </ul> | 7. Administrative and general expenses: | 6. Sales expenses | 5. Customer accounts expense | 4. Distribution expenses | 3. Transmission expenses | 2. Power production expense | 1. Wages charged to expense: | Line<br>No.<br>(a)                               |         |  |                              |               |
|---|---|-------------------|------------------------------|--------------------------|--------------------------|-----------------------------|------------------------------|--|---------|--|------------------------------|---------------|
| e and<br>1es<br>es and<br>e expense<br>r.<br>r.   | eneral                                  |                   | pense                        | S                        | ŝ                        | ense                        | e                            | SthCalendar Years PriorAmountX(b)(c)(d)(e)(f)(f) | (¢,000) | For the Calendar Years 19 <u>76</u> Throug<br>And the 12-Month Period Ending October | ANALYSIS OF SALARIES AND WAG | Case No. 8447 |

GES

ough 19<u>80</u> oer 31, 1981

|   | (a)      | Item   |      |                     |           |
|---|----------|--------|------|---------------------|-----------|
|   | (b)      | Amount | 5t   |                     |           |
|   | (c)      | %      | μ    |                     |           |
|   | (d)      | Amount | 4th  | Cal                 |           |
|   | (e)      | 24     | h    | endar               |           |
|   | (f)      | Amount | 310  | Years Prior to Test |           |
|   | (8)      | 24     | 1    | lor to              | 12        |
|   | (h)      | Amount | 2nd  | Test Yea            | Months En |
|   | (E)      | 2      | -    | F                   | Ended     |
|   | (f)      | Amount | lst  |                     |           |
|   | (k)      | 2      |      |                     |           |
|   | (1)      | Amount | Year | Test                |           |
| • | <b>B</b> | 24     |      | CT                  |           |

- fed Outside services employed Property insurance Injuries and damages

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Format 1 Page 1 of 2

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Licking Valley Rural Electric Cooperative Corporation

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|  | 13.   | 12.  | 11.                      | 10.               | 9.   | 8.   |   | 7.   | Line<br>No.  | ,  |
|--|---|--|--------------------------|-------------------|--|--|---|--|--|--|
| : Show percent increase of each year over the prior year in Columns (c), (e) | Ratio of salaries and wages<br>capitalized to total wages (LlO + Lll) | Ratio of salaries and wages charged<br>expense to total wages (L9 + L11) | Total salaries and wages | Wages capitalized | Total salaries and wages charged<br>expense (L2 through L6 + L8) | Total administrative and general<br>expenses L7(a) through L7(m) | <ul> <li>(g) Employee pensions and<br/>benefits</li> <li>(h) Franchise requirements</li> <li>(i) Regulatory commission<br/>expenses</li> <li>(j) Duplicate charges-cr.</li> <li>(k) Miscellaneous general<br/>expense</li> <li>(l) Rents</li> <li>(m) Maintenance of general<br/>plant</li> </ul> | Administrative and general expenses (continued): | Item Ano (t)   | Licking Vall   |
| over the prior year in Columns (c  | .11)  |  |                          |                   |  |  |   |  | 12<br>Calendar Years Prior to<br>Calendar Years Prior to<br>3rd<br>Amount X<br>(b) (c) (d) (e) (f) (g) | Licking Valley Rural Electric Cooperative Corporat:<br>Case No. 8447 |
| ), (e), (g), (1), (k), and (m).  |   |  |                          |                   |  |  |   |  | 12 Months Ended<br>or to Test Year<br>2nd 1st<br>(g) (h) (1) Amount X<br>(g) (h) (1) (j) (k)           | lon  |
|  |   |  |                          |                   |  |  |   |  | Test<br>Year<br>(1) (m)  | Format 1<br>Schedule 2 of 2  |

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Format 2



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## Licking Valley Rural Electric Cooperative Corporation

Case No. 8447

#### ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended October 31, 1981

|      |      | Sales or    |               |              |      |       |              |
|------|------|-------------|---------------|--------------|------|-------|--------------|
| Line |      | Promotional | Institutional | Conservation | Rate |       |              |
| No.  | Item | Advertising | Advertising   | Advertising  | Case | Other | <u>Total</u> |
|      | (a)  | (b)         | (c)           | (d)          | (e)  | (f)   | (g)          |

- 1. Newspaper
- 2. Magazines and Other
- 3. Television
- 4. Radio
- 5. Direct Mail
- 6. Sales Aids

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7. Total





#### Licking Valley Rural Electric Cooperative Corporation

Case Number 8447

#### ACCOUNT 930 - MISCELLANEOUS EXPENSES

For the 12 Months Ended October 31, 1981

Line No.

Item (a) Amount (b)

- 1. Industry Association Dues
- 2. Institutional Advertising
- 3. Conservation 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



Format 4

# Licking Valley Rural Electric Cooperative Corporation

# Case No. 8447

### Professional Service Expenses

For the 12 Months Ended October 31, 1981

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